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Discussion Paper
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# **Taiwan's Deteriorating Security Environment** and its Impact on Cross-Strait Relations

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Ludwigkirchplatz 3-4 10719 Berlin Phone +49 30 880 07-0 Fax +49 30 880 07-100 www.swp-berlin.org Since Ma Ying-jeou's election, on the surface, Taiwan's security has dramatically improved: not only a genuine détente has emerged but what has been described by Ma himself as a "rapprochement" has taken place across the Taiwan Strait. However, on the ground, it can be argued that Taiwan's (or the Republic of China's, ROC) capability to defend itself and keep the island secure from outside aggression has deteriorated. In addition, since no military confidence-building measures have been initiated with mainland China (or the People's Republic of China, PRC) military incidents cannot be excluded nor managed properly. But more importantly, the People's Liberation Army (PLA) growing power projection capability and pressure on the island as well as the Ma Administration's lack of investment in defence have made Taiwan more and more dependent upon the US de facto security guarantee—the Taiwan Relations Act (TRA)—at a time Beijing has intensified its pressure on Washington to stop providing weapons to the island.

The key question is the following: in contributing to making Taiwan more vulnerable, is China facilitating or on the contrary, complicating any solution of the differences across the Strait? This paper concludes the latter: Taiwan cannot open political or security negotiations in a position of growing weakness; it needs both reassurances from China and support from the USA before contemplating any sensitive talks.

# Taiwan's Changing Defence Policy

Since 2008, cross-strait détente has remained highly militarised. The threat of the PLA has continued to intensify unabated; Taiwan's defence effort has been stagnating in spite of the January 2010 US weapon package announcement and a few new initiatives as the phasing out of the drafting system; and Taiwan's will to fight depends more and more on the US commitment to the island's security.

#### The PLA's Growing Threat

For most experts, the military balance in the Taiwan Strait tilted in favour of China around 2005. Since 2008, the number of conventional missiles pointed at Taiwan has continued to increase (by over 100 a year to around 1,400-1,500 in 2011), and the PLA Navy and Air Force's ability to project forces away from China's shores, control the Taiwan Strait, and impose a blockade over the island, if not yet successfully launch a landing operation, has become much more credible, forcing the US to review its own counter-strategy (more on this later). The PLA has also

<sup>1</sup> David A. Shlapak, David T. Orletsky, Toy I. Reid, Murray Scot Tanner, and Barry Wilson, A Question of Balance: Political Context and Military Aspects of the China-Taiwan Dispute, Washington DC, Rand, 2009. The Taiwanese military tends to include in its calculations both short-range and mid-range missiles and expects their number to reach nearly 2,000 (1,960) before the end of 2010, cf. Taipei Times, 19 July 2010. The US only refers to the

beefed up its coastal air defence, especially in Fujian, and can now directly threaten the Taiwanese fighters entering airspace in the northern Taiwan Strait (150 DH-10 LACM and S-300PMU2 long-range—200km—surface-to-air missiles).<sup>2</sup>

When visiting the USA in May 2011, PLA Chief of General Staff Chen Bingde declared that China did not have ballistic missile targeting Taiwan in areas along the coast; he exactly stated: "I can tell you here, responsibly, that we only have garrison deployment across from Taiwan and we do not have operational deployment, much less missiles stationed there". Although it may be literally true since most missiles threatening Taiwan are located inland, especially in Jiangxi (in Shangrao) and Fujian (Yong'an) but also in Zhejiang and Guangdong and their warheads may be stored in Huangshan's Second Artillery Base 52 (Anhui), this amazing statement has raised fresh and additional questions about how serious the PLA is about de-escalating its military pressure on the island.

It should be added that missiles are just one small portion of the military balance. The PLA Navy and Air Force's capability to project forces away from China's shores and across the Taiwan Strait has continued to increase in the last three years. While the aircraft carrier Shi Lang and the J-20 stealth fighters projects are the most advanced and symbolic projects of the PLA, they both underscored China's willingness to impose upon not only Taiwan but also the US's forward deployment a new and more advantageous military balance. As some Chinese sources indicated recently: "the carrier is a key link in China's ability to fight and win a local war under informationized conditions". It is true that a carrier "would have little role in a near-term Taiwan scenario". However, once the PLA has demonstrated a capability to conduct joint operations, its carrier could be involved in attack operations from the east of Taiwan. 4 Similarly, because of its stealth design and supersonic cruise speed, the J-20 will also contribute to deepening the asymmetry between the PLA and the Taiwanese Air Forces and enhance the former's capability to reach targets situated along China's "second island chain" in other words, any US facilities (Guam) and forward deployment that could potentially be involved in a Taiwan scenario.<sup>5</sup>

former, evaluated to 1050-1150 CSS-6 (600 km) and CSS-7 (300 km) at the end of 2009, The PLA mid-range missiles (as some of the CSS-5 and the DH-10) also target Japan and US bases and ships in Asia; cf. Annual Report to Congress, Military and Security Developments Involving the People's Republic of China 2010, Washington DC, Office of the Secretary of Defense, August 2010, pp. 2, 38 and 66.

<sup>2</sup> China Brief, vol. X, no. 7, 1 April 2010, pp. 1-2.

<sup>3</sup> Wall Street Journal, 21 May 2011.

<sup>4</sup> China Brief, vol. XI, No. 11, 17 June 2011, pp. 4-5.

<sup>5</sup> Carlo Kopp, "An Initial Assessment of China's J-20 Stealth Fighter", China Brief, Vol. XI, No. 8, 6 May 2011, pp. 9-11.

#### Taiwan's defence policy adjustment and weaknesses

As a consequence, since the middle of the 2000s, Taiwan has been compelled to put together an asymmetric military strategy aimed at deterring any unprovoked PLA attack. To be credible, Taiwan's military must ensure that the cost of such an attack remains prohibitive for the PLA and China, or much higher that the expected benefits of this operation, as a result, force Beijing to think twice before contemplating any "non-peaceful" option to "solving the Taiwan issue."

Enshrined in the TRA, the US commitment to Taiwan security has remained very strong, although purposely vague (see Chris Hughes's paper); the daily cooperation between the Pentagon and the Taiwanese armed forces is in 2011 much closer and better than before the 1996 missile crisis. Ma's electoral promises to build a "hard ROC," to increase the defence budget to 3 percent of GDP, and to move towards an all-volunteer military were well received in Washington. This came after nearly a decade of decrease in military expenditures—by around 40 percent between 1999 and 2008—and political bickering in the Legislative Yuan (Taiwan's Parliament) about the relevance and financing of the unprecedented arms package granted by George W. Bush in 2001 (including, for the first time, diesel submarines, which the US has, however, been unable to manufacture).

After entering office, Ma privileged a purely defensive strategy. Formulated in March 2009 in the Taiwan Defence Ministry's first Quadrennial Defence Review (QDR), this strategy restored the pre-2000 order of priorities: "resolute defence and effective deterrence" (fangwei gushou, youxiao hezu), as opposed to the "effective deterrence and resolute defence" and "active defence" strategies put forward under Chen Shui-bian. Strongly supported by Su Chi, General Secretary of the National Security Council from May 2008 to February 2010, this defensive strategy has been heavily influenced by a report that US expert William Murray had made public a year earlier. Murray recommended that Taiwan adopt a "porcupine" strategy "emphasising the asymmetrical advantage of the defender, seeking to deny the People's Republic its strategic objectives rather than attempting to destroy its weapon systems." Taiwan should, Murray recommended, dig in and rely on passive defence by ground forces, harden or move underground its military facilities, improve its communication and control systems, and strengthen its anti-access capabilities. 6 In his view, the Air Force and the Navy still play a critical deterrent role in Taiwan's self-defence, but Taiwan should stop trying to maintain naval and air parity, let alone an unachievable superiority in the Strait.

However, for many reasons, including resistance in the Taiwanese military, both the QDR and the National Defence Report (NDR) published in October 2009

<sup>6</sup> William S. Murray, "Revisiting Taiwan's Defense Strategy," Naval War College Review, Summer 2008.

have kept an offensive capability and have continued to develop conventional weapons, such as Hsiung Feng-2E cruise missiles (800 km) capable of striking and neutralising targets on the other side of the Strait. In other words, Chen's "active defence" has not been completely shelved; only the ambitious and unrealistic objectives of moving the "decisive battle outside of the territory" (jingwai juezhan) and developing offensive weapons as long-range missiles (over 1,000 km) targeting non-military objectives have been clearly abandoned. In addition, the Ma government has continued to invest heavily in the Navy and the Air Force. Since 2009, it has developed a high-tech missile fast corvette, dubbed "carrier killer," equipped with powerful supersonic anti-ship Hsiung-feng III cruise missiles, and more capable of putting at risk the PLA surface ships in the Strait.<sup>8</sup> There are also indications that it has restarted a programme to build indigenously designed diesel submarines aborted in 2004. And the Taiwanese government has reiterated its intention to buy an additional 66 F-16 C/D in order to keep up an Air Force fleet, the capabilities of which have been repeatedly called into question. In February 2010, a DIA assessment indicated that although Taiwan had 400 combat aircrafts in service, "far fewer of these (were) operationally capable." And since then, the pressure on the Obama Administration both from Taiwan and the US Congress to deliver F-16 C/D has gradually intensified. While Ma is reported to have promised the US a surprise-free policy ("Taiwan would not ask for certain weapons systems just to show the US would sell them" 11, it has become clear for most Taiwanese, both blue and green, that the acquisition of the F-16 C/D is today crucial to maintaining the credibility of Taiwan's Air Force. Although most US experts agree that this need has become urgent and should be fulfilled, the only decision likely to be made by the US government before 2012 (and Taiwan's next presidential election) is an upgrading of Taiwan's current F-16 A/B batch<sup>12</sup>.

It cannot be denied that Ma has taken Taiwan's defence seriously and that on this issue, there is much more bipartisanship than often appears, since the defence of the ROC equates with guaranteeing the security and the survival of

<sup>7</sup> York W. Chen, "The Evolution of Taiwan's Military Strategy: Convergence and Dissonance," China Brief, vol. IX, no. 23, November 2009, pp. 8-12.

<sup>8</sup> Straits Times, 12 April 2010. The Hsiung-feng missile has started to be deployed in 2011 and is now positioned on some 20 ships; Newscom, 16 June 2011.

<sup>9</sup> China Brief, vol. IX, no. 8, 16 April 2009, pp. 1-2. In early 2011, some unconfirmed reports indicated that Taiwan wanted to acquire Kilo-class submarine hulls from Russia. Although such an option seems unlikely to materialise, it underscores Taiwan's willingness to pursue this project; China Brief, Vol. XI, No. 4, 10 March 2011, pp. 6-8.

<sup>10</sup> Defense News, 22 February 2010.

<sup>11</sup> Part of the three promises made by Ma Ying-jeou to the US one year after he came into office: "Taiwan would not ask for a certain kind of transit just to show that the US would grant it; Taiwan would not ask for certain weapons systems just to show the US would sell them; and Taiwan would not insist on certain names just for domestic political considerations.", US cable dated 20 March 2009, recently released by Wikileak, Taipei Times, 19 June 2011.

<sup>12</sup> Taipei Times, 18 June 2011; Interviews, Washington DC, May 2011.

**Taiwan as a sovereign entity.** Nevertheless, before the DIA report was known, multiple and converging information underlining the growing weaknesses of the Taiwanese military had already been published. There is in particular a growing gap between the strategic objectives set in the QDR or the NDR and the actual capabilities of the armed forces. For instance, Taiwanese Navy "offensive sea control" is less and less tenable in view of the PLA's growing capability to project forces as well as its new military strategy aimed at denying Taiwan use of its air force and navy. <sup>13</sup>

More generally, Taiwan's defence budget has not only stagnated but also decreased in real terms. According to a recent study, direct defence budget moved from US\$11.8 in 2008 to US\$11.1 billion in 2009, US\$10.3 billion in 2010 and in 2011. Though the financial crisis was used to justify the 2009 drop, the subsequent reductions are harder to explain. They seem to be the result of a mixture of savings and misallocations of funds for weapons systems that cannot be delivered as anticipated. 14 The Ma Administration still claims that it can set up any time a special budget to by the F16 C/D it has been asking to the US (Taiwan Vice-Defence Minister Andrew Yang confirmed this point in Washington DC in early 2011); however, we may have some doubt about its financial strength. For example, the transition to a voluntary military service system by 2014 has revealed itself much more expensive than originally planned: the 2011 personnel budget has only been able to support less than half (5,000) of the additional volunteer personnel that needed to be recruited according to the already revised target (11,000 instead of 15,000). And owing to the projected budget increase, by 2014, only 20% of the recruitment objective will be met (9,000). 15

Another growing danger for Taiwan security is the PRC intensifying espionage activities on the island, qualified by Premier Wu Den-yih as a "war without gunfire" in November 2010. The growing interconnections between both societies have—the increasing number of retired Taiwanese officers to travel to and settle down on the mainland and the unprecedented surge of Chinese tourists—have made counter-espionage work more arduous. The most high-profile espionage case in the last few years was the arrest in November 2010 of Taiwan Military Intelligence Bureau Colonel Lo Chi-cheng, accused of providing to the PRC intelligence about Taiwan's spies network on the mainland. Although some additional restrictive measures have been recently adopted by the Ma

<sup>13</sup> Murray, op. cit., pp. 14-15; James R. Holmes and Toshi Yoshihara, "Taiwan's Navy: Still in Command of the Sea?", China Brief, vol. X, no. 6, 18 March 2010, pp. 9-11.

<sup>14</sup> For instance, in June 2011, it was announced that the budget for the potential purchase of diesel-electric submarines and F-16 C/Ds was slashed in order to avoid returning to the national treasury billions of dollars originally allotted for military equipment purchases, The China Post, 15 June 2011.

<sup>15</sup> Fu S. Mei, "Taiwan's Defense Transformation and Challenges Under Ma Ying-jeou", China Brief, Vol. XI, No. 7, 22 April 2011, pp. 7-10.

Administration (targeting in particular retired military personnel), the game seems increasingly asymmetrical, and perhaps hopeless, making the US military to think twice before transferring its most sophisticated and advance weaponry to Taiwan.<sup>16</sup>

Finally, there have been increasing doubts about the Taiwanese's will to fight, and the KMT's strong tendency since 2008 to regard mainland Chinese as "brothers" (*xiongdi*) rather than "enemies" (*diren*) has fed these doubts, especially in the US. Obviously, the PRC is both an economic partner and a military threat—what I would qualify as "Taiwan's strategic paradox"—and its growing influence over Taiwan makes many ROC citizens increasingly schizophrenic. For instance, while on a scale from 1 to 10, war with China remains for most Taiwanese quite unlikely (3.2), 54% of them have a negative impression of the PRC government, which they describe as "authoritarian" and "corrupt". Moreover, in March 2011, 53.6% of the Taiwanese still think that Beijing is hostile to the "ROC government" (against 53.1% in August 2008 and 39.5% in December 2009) and 44.7% of them think that it is hostile to the "ROC people" (against 45.1% and 41.1% respectively). 18

Arguably, a professional military is better trained to use the sophisticated armaments that it has received and is more ready to fight in case of war. But the bond with the nation is vital. For this reason, while accelerating the transition towards an all-volunteer force that should be completed by 2014, Taiwan's Defence Ministry has decided to keep a four-month basic training requirement for any male citizen reaching 18 years of age. However, can an economy that is more interdependent with and a society that is culturally closer to mainland China than, say, France is to Germany provide the material and moral support necessary for its soldiers to defend Taiwan's sovereignty and de facto independence? At this stage, it is impossible to fully answer this question. Studies have shown that US support and involvement would be a decisive factor, which is not surprising. In such a rapidly changing context, the remarks made by Ma Ying-jeou on CNN in May 2010—"We will continue to reduce the risks so that we will purchase arms from the United States, but we will never ask the Americans to fight for Taiwan"—look highly misplaced. Understood by his KMT supporters as a proof of Taiwan's

<sup>16</sup> There were reports in Taiwan in 2009 claiming that Ma Ying-jeou had called for a truce and that the National Security Council had ordered the National Security Bureau to stop recruiting agents to work inside the mainland (Ziyou shibao, 13 February 2009). These more recent incidents indirectly prove that these claims were unfounded.

<sup>17</sup> The China Post, 12 September 2010.

<sup>18</sup> Mainland Affairs Council opinion polls, www.mac.gov.tw consulted on 21 June 2011.

<sup>19</sup> Shelley Rigger, "When the Going Gets Tough: Measuring Taiwan's Will to Fight," American Political Science Association conference, Chicago, 2 September 2004. Jean-Pierre Cabestan and Tanguy Le Pesant, L'esprit de défense de Taiwan face à la Chine. La jeunesse taiwanaise face à la tentation de la Chine (Taiwan's will to fight China: Taiwanese youth and China's temptation), Paris, L'Harmattan, 2009.

<sup>20</sup> http://edition.cnn.com/2010/WORLD/asiapcf/04/30/taiwan.china.us/index.html.

defermination to defend itself, Ma's comment actually underscores a troubling deficit of communication with the US (which has remained purposely ambiguous about its involvement in an armed conflict in the Strait), as well as an unrealistic assessment of the Taiwanese military's capabilities. <sup>21</sup> It also confirms indirectly that Taiwan's political elites, and in particular the current KMT government, are far from being fully aware of the responsibilities they must shoulder in order to keep the bond between the military and the nation strong and healthy, and to reconcile the two branches of Taiwan's strategic paradox through a much more articulated, give-and-take, and generally more cautious mainland policy.

### An underdeveloped security dialogue

As the current armed détente demonstrates, security constitutes a particularly important set of issues that have not yet been genuinely addressed by Beijing and Taipei. Although China had shown as early as 2004 an intention to include the establishment of confidence-building measures (CBMs) in cross-Strait political talks, it was only in December 2008 that this plan was re-launched. Then, while still giving priority to economic and easier items of negotiation, Hu Jintao put forward "six propositions for peaceful development across the Taiwan Strait." He stated in particular: "To help stabilise the situation in the Taiwan Strait and alleviate concerns about military security, the two sides can have contacts and exchanges on military issues at an appropriate time and discuss the issue of establishing a military security mechanism based on mutual trust."

To be sure, the introduction of non-military CBMs, both unilateral and bilateral, can be traced back to the opening of a non-official channel of communication between Taipei and Beijing (the SEF and the ARATS). For instance, in 1997, Taipei's China Rescue Association and Beijing's China Marine Rescue Centre agreed to set up a hotline to facilitate marine rescue work in the Strait. Some military CBMs have been also been adopted, such as Lee Teng-hui's 1991 declaration to put an end to the Chinese civil war. However, the latter have so far been only unilateral decisions.<sup>23</sup>

The other limitation is that CBMs are aimed at improving military-to-military relations in order to reduce fears of attack and the potential for military

<sup>21</sup> The China Post, 5 May 2010.

<sup>22</sup> Xinhua, 31 December 2008. Hu Jintao's "six propositions" included: 1) end of hostility and peace agreement under the "one China principle"; 2) strengthening commercial ties, including negotiating a comprehensive economic cooperation agreement; 3) increasing communication and exchanges; 4) pushing forward cultural and educational exchanges; 5) discussing "proper and reasonable arrangements" for Taiwan's participation in international organisations; and 6) stepping up contacts and exchanges on military issues and talk about CBMs.

<sup>23</sup> Bonnie S. Glaser, Building Trust Across the Taiwan Strait: A Role for Military Confidence-building Measures. CSIS, Washington DC, January 2010.

miscalculation. They are not designed to have an impact on the military balance per se, particularly in a strategic environment structured by the long-term presence—and partial confrontation—of two major military powers, the United States and China.

It would be wrong to assume that CBMs are meaningless and that nothing has been done to address this issue since 2008 (or even before). Some informal and, more importantly, secret talks have taken place. Simultaneously, nonofficial contacts and discussions involving academics and experts on political and security issues have also rapidly increased in the last two years. For example, in May 2009, a golf tournament between retired mainland and Taiwan military officers took place in Xiamen, suggesting that Beijing wanted to give some substance to Track II discussions.<sup>24</sup> More recently, after stepping down in February 2010, Su Chi revealed that secret communication channels have since 2008 helped both sides build trust, especially in sensitive areas, presumably including defence and security in the Strait. 25 Channels of communication already exist, for instance between the coast guard forces of both sides, to avoid and manage incidents in the Strait. In October 2008, for the first time ever, the Xiamen Marine Rescue Centre and Sea Patrol Bureau and the Quemoy Harbour Affairs Department were involved in a search and rescue exercise aimed at improving their ability to jointly respond to a maritime emergency. <sup>26</sup> Other sources in Taipei have confirmed that the Taiwanese military and the PLA can indirectly communicate (e.g., through the G-channel (open channel)) to avoid each other and the Strait's middle line.<sup>27</sup> Moreover, it is true that, when necessary and in times of crisis in particular, both sides have been able to hold high-level secret contacts. 28 In other words, communication and incident management are less of a problem than many observers have suspected.

The concentration of military forces around the Taiwan Strait has continued, however, to develop and no genuine bilateral military CMB negotiations have taken off. The obstacles to such negotiations are many.

The first difficulty is that Taipei and Beijing are not pursuing identical objectives: for Taipei, the priority is "preventing conflicts and lowering the probability of accidental provocation of war," in other words, reducing the risk of an accident that could escalate out of control. Proposed joint steps include the establishment of a "hot line" between both militaries as well as the adoption of a code of conduct, rules of engagement, and restrictive measures such as force

<sup>24</sup> Xinhua, quoted by David C. Brown, "China-Taiwan Relations: Moving Relations towards a New Level," Comparative Connections, July 2009.

<sup>25</sup> China Post, 17 May 2010.

<sup>26</sup> People's Daily, 24 October 2009, quoted by Glaser, Building Trust, op. cit., pp. 22-23.

<sup>27</sup> Interview, Taipei, June 2010.

<sup>28</sup> Nancy Bernkopf Tucker, Strait Talk: United States-Taiwan Relations and the Crisis with China, Harvard University Press, Cambridge, Mass., 2009.

reductions in the Taiwan Strait.<sup>29</sup> For Beijing, the primary purpose of military CBMs is building mutual trust through the promotion of the shared culture and heritage of both militaries. While both sides link CBM talks to the adoption of a peace treaty or an end-of-hostility agreement, Taipei hopes that CBMs can consolidate the status quo, and Beijing expects that it can serve unification, however indirectly.

The second obstacle is the current level of PLA threat and Taiwan's attempt to alleviate this threat through CMBs. For Ma Ying-jeou, the withdrawal of the missiles is a precondition to any "political talks," including CBMs. For instance, he declared in July 2009: "People feel uneasy if we go to the negotiating table on security issues while still under the threat of missile attack." In addition, since late 2009, the growing mobilisation of the DPP against the ECFA and the KMT's excessively accommodating policy towards China have forced Ma to keep these conditions in place even if informal CBM talks are likely to start earlier. The "six national visions" (*liuguolun*) that he presented in his mid-term speech have confirmed this caution. But for Beijing, adjustments in military deployment can only be a subject of the talks, must be reciprocal and based on improved trust, and must be bargained against meaningful concessions, such as a formal renunciation of de jure independence by Taiwan.

The third obstacle is determining whether these negotiations are linked to unification or even to the "1992 consensus." When Ma feels that he can open CBM talks, can he really accept linking CMB talks, let alone peace agreement negotiations, to the future unification of the Chinese nation (*Zhonghua minzu*)?<sup>32</sup> Obviously welcomed by China and convergent with Hu Jintao's policy, this linkage remains unacceptable not only to the pan-green camp but probably also to the majority of Taiwanese public opinion. Opinion polls continue to show how much the Taiwanese wish to remain open-ended regarding the future of their island: in May 2011, 60% support (against 57% in August 2008) either the status quo in the Strait indefinitely (27.2% against 22.4% in August 2008) or the option "status quo now and decision later" (32.6% against 34.4%) while another 19.2% (against 17.5%) favour a status quo heading towards independence.<sup>33</sup>

There are also methodological and politico-technical obstacles. As far as CBM negotiations are concerned, the Taiwanese government and military are still on a learning curve. Since early 2008, much advice has been given to them by outside

<sup>29 2009</sup> National Defense Report 2009: Building an Elite Armed Forces, Taipei, Ministry of National Defense, ROC, Ch. 8, pp. 198-200.

<sup>30</sup> Bloomberg, 31 July 2009.

<sup>31</sup> Xinbao, 5 May 2010; http://roc-taiwan.org/ct.asp?xItem=144755&ctNode=2237&mp=2; China Post, 20 May 2010.

<sup>32</sup> The Chinese nationalist language chosen by Ma at his press conference triggered a strong reaction among the anti-unification opposition: Taiwan News, 20 May 2010.

<sup>33</sup> April 2010, http://www.mac.gov.tw/ (consulted on 21 June 2011).

and particularly American specialists.<sup>34</sup> However, it remains unclear which body of the government—the SEF or, if not, who?—would negotiate these CBMs. If Su Chi is to be believed, some kind of minimal CBMs may have already been discussed through secret channels, presumably to avoid and better manage incidents in the Strait. But these channels are not sustainable if genuine military CBMs and substantial arms reductions are to be negotiated. In the current circumstances, the most likely format of CBM talks would be to attach "military advisers" of both sides to the SEF and the ARATS. Opening military-to-military discussions between two states that do not recognise each other would not be impossible in view of the track record of SEF-ARATS talks, but there are obvious limits to such negotiations.

This difficulty brings us to the final obstacle or question mark: should these CMB negotiations remain bilateral, or should they also involve the United States? China has acknowledged that any alleviation of the military tension in the Taiwan Strait is closely linked to US arms sales to Taiwan. Although Hu Jintao has not yet officially reiterated his predecessor Jiang Zemin's October 2002 proposal to decrease the number of missiles deployed against Taiwan in exchange for an end to US arms sales to Taiwan, this potential bargaining stance remains very much in the mind of the Chinese leadership. 35 For Ma and the US, this remains a nonstarter. At the same time, neither Beijing nor Taipei seems to welcome direct participation by Washington in any CBMs in the Taiwan Strait. It would put Beijing in a weaker position and risk expanding and complicating the issues that would need to be discussed, possibly to the US forward military deployment in East Asia and the PLA's new capabilities, targets and objectives, beyond Taiwan, in the region (US bases in Japan and Korea, Guam, South China Sea, Exclusive Economic Zones). The risk for Taipei would be of adding factors of contention in the talks and of being sidelined in a deal between the two great powers above Taiwan's head. What Ma would like is to receive strong US support to initiate such talks in order to rein in DPP's concerns. It can be assumed, however, that Washington would like to be more closely consulted on these talks as well as on the overall "rapprochement" between Taipei and Beijing. For all these reasons, military CBM negotiations are unlikely to start before 2012.

<sup>34</sup> Bonnie Glaser and Brad Grosserman, Promoting Confidence Building across the Taiwan Strait: A Report to the CSIS International Security Program and to Pacific Forum CSIS, Washington DC, CSIS, September 2008.

<sup>35</sup> After her visit to China in May 2010, the US Senate Intelligence Committee Chairman Dianne Feinstein said China had offered to reposition its military forces opposite Taiwan to ease cross-Strait tensions. She added, however, "In my meeting with some of the leadership, it was mentioned that China had offered to redeploy back. Now I understand the word 'redeploy' isn't 'remove.' And I understand the nature of what's there and the number of troops." Reuters, 16 June 2010. Her comments were strongly criticised (see below).

## How to address Taiwan's Growing Insecurity?

In any case, military CBMs cannot fully address Taiwan's growing insecurity. At a time that would suit its interests, for instance to facilitate Ma's re-election in January 2012, the PRC may contemplate a partial relocation or even dismantlement of its (oldest) missiles targeted against the island. This unilateral CBM would nevertheless be much more a political and symbolic gesture than a strategic decision, given that the conventional missiles aimed at Taiwan constitute just a small portion, and arguably a decreasing part, of the PLA forces that can be projected against the island today and in the coming years. <sup>36</sup> Thus, even if a partial demilitarisation of the Taiwan Strait is possible, the military balance will continue to be less and less favourable to Taiwan, forcing the island to invest more in its defence, rely more on the US, and consequently take into greater consideration the perceived long-term interests of the US in the region.

While the Beijing authorities have opted for exerting additional pressure on the US government, hoping to weaken the American political and business elite's support for the TRA and arms sales to Taiwan, this strategy may not only fail but also be detrimental to China's own interests.

Even if this risk remains in the foreseeable future rather low, Taiwan's growing sense of insecurity may convince its government to re-launch in the future its twice-shelved military nuclear programme. The lack of available financial resources as well as the increasing difficulties to keep a credible conventional military force and receive from the US the weapons it needs may convince Taipei to revive this highly sensitive and contested programme: as the North Korean and other cases have demonstrated, nuke is the weapon of the poor and the desperate state (and non-state) actors.

Secondly, the deteriorating military balance in the Strait and Taiwan's increasing reliance for its security on the USA have contributed to not only keeping the world lone superpower at China's doorstep but also maintaining a de facto strategic (but not economic) containment posture vis-à-vis this latter country. A gradual demilitarisation of the Strait would, conversely, ease China-US rivalry and help them to better accept their respective role in East Asia security.

Having said that, Taiwan's growing security dependence upon the US can also be regarded by China as an opportunity rather than an additional risk:

An opportunity to reassure Taiwan about the perpetuation of the status quo and
the peaceful resolution of the differences across the Strait, in all
circumstances, in putting an end to a long-entrenched strategy which aims
at disarming Taiwan in order to force it to accept an unfavourable deal in
a position of weakness;

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<sup>36</sup> Yitzhak Shichor, Missiles Myths: China's Threat to Taiwan in a Comparative Perspective, Taipei, CAPS Papers, no. 45, August 2008; Shlapak et al., A Question of Balance, op. cit.

- An opportunity to cooperate more closely with the US for the stabilisation and
  the gradual demilitarisation of the Taiwan Strait, and more generally the
  stability of East Asia and the Asia-Pacific region, it should be emphasised
  again here that all US administrations since 1979 at least have committed
  themselves to only sell defensive weapons to Taiwan;
- And an opportunity to convince the rest of the world that China's rise will be peaceful and stabilising, expanding the win-win solutions that it has proposed to many of its partners to its Taiwan brothers.

Of course, there are multiple obstacles to this change of mindset. To many Chinese government and PLA officials, de-linking Taiwan's security from US interests and responsibilities in the Asia-Pacific region has remained a top priority. For instance, when visiting Washington DC on 18 May 2011, General Chen Bingde reiterated: "Taiwan is part of Chinese territory"... "Why would it need U.S. weapons sales to guarantee its security?" Accepted as an unquestionable truth in the PRC, this statement on purpose avoids addressing the key question everyone in Taiwan and outside of Taiwan has in mind: Why does on earth Taiwan need US weapons?

In other words, Beijing's recognition of Taiwan's security needs and right to self-defence, would help overcoming what still appears today as an insurmountable obstacle to both CBM and a peace negotiations in the Taiwan Strait but also a true US-China understanding and global partnership.

Such a recognition does not need to equate with a recognition of the ROC state on Taiwan, let alone Taiwan independence. It would only be a logical development of Beijing's recognition of Taipei authorities' jurisdiction (*guanxia*) on the Chinese island of Taiwan. But what will perhaps be regarded retrospectively as a small step forward, would be justly interpreted today or when it occurs as a huge progress towards lasting peace and reconciliation in the Taiwan Strait.

<sup>37</sup> Huffington Post, 18 May 2011.