A relationship transformed? Rethinking the prospects for conflict and peace in the Taiwan Strait

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Introduction

• For decades the Taiwan Strait has been seen as one of Asia’s most dangerous potential flashpoints for conflict.

• Tensions were especially high during the Lee Teng-hui (1988-2000) and Chen Shui-bian (2000-2008) presidencies.
Introduction

• But since the election of Ma Ying-jeou as Taiwan’s president in 2008, the relationship has stabilized dramatically.
Question

• Is stability in cross-Strait relations likely to persist?
Approach

• Describe plausible paths to conflict that worried analysts prior to 2008.
• Assess whether these paths have become less likely or obsolete.
• Basic conclusion: In the near-term, cross-Strait relations are likely to be more stable than they were in the past, but serious longer-term risks remain.
Past concerns: three plausible conflict scenarios highlighted by analysts prior to 2008

• Redline conflict scenario
• Pessimistic trend analysis scenario
• Accidental war scenario
Redline conflict scenario

• “Revisionist” Taiwan crosses PRC “redlines” relating to Taiwan’s status, thereby triggering a military response.
  – Ultimately rooted in efforts by Taiwan to redefine its status to reflect more accurately the reality of an independent and prosperous democracy of 23 million people.
Efforts to raise Taiwan’s international profile.
Statements made by Taiwan presidents concerning Taiwan’s status and the nature of cross-Strait relations

• Lee: state-to-state relations.
• Chen: each side of the Taiwan Strait is a separate country.
Efforts to “desinify” Taiwan
Redline conflict scenario, continued

• PRC has vowed to use force if Taiwan pushes too far toward formal independence.
  – Anti-secession law as example.
• “Redlines” refer to the steps Taiwan might take that would trigger a military response.
• In practice, PRC redlines are somewhat vague.
A simple model of cross-Strait relations

China’s ideal outcome

Taiwan’s ideal outcome
A simple model of cross-Strait relations
A simple model of cross-Strait relations
A simple model of cross-Strait relations

Taiwan’s war costs

China’s war costs

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The “redline conflict” scenario

Taiwan’s war costs

China’s war costs

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Pessimistic trend analysis scenario

– Pessimism in Beijing over long term political and societal trends in Taiwan: fear that these trends will make unification more and more difficult.
– Thomas Christensen outlined this scenario in a series of articles published during the Chen Shui-bian administration.
Political trends: the growing power of the Democratic Progressive Party
Societal trends: changes in Taiwan identity
Pessimistic trend analysis scenario, continued

- Deep-seated pessimism in Beijing about long-term trends in Taiwan Strait potentially dangerous.
  - The longer unification waits, the harder it will be to achieve. Over the longer term, China might fear that Taiwan will become essentially ungovernable given political and societal trends.

- Could lead Beijing to initiate conflict under belief it is better to act sooner rather than later. Mirrors logic of preventive war.

- Key point: Beijing might feel compelled to act even in the absence of some specific trigger—that is, even if Taiwan hasn’t actually crossed a PRC redline.
Accidental war scenario

• Accident in Taiwan Strait could be misinterpreted as the initiation of hostility, leading to rapid escalation.
• Analysts in the past outlined several different scenarios along these lines.
  – Collision of aircraft flying close to the middle of the Taiwan Strait (Kenneth Allen).
  – PRC missile tests misinterpreted as beginning of attack (James Mulvenon).
  – Naval incident leading to rapid escalation (Bernard Cole).
• Mirrors logic of pre-emptive war: rapid escalation occurs in part because there are first-strike advantages.
Remainder of talk

• Consider whether these three scenarios that worried analysts prior to 2008 remain relevant. To what extent do we still need to worry about them?
Is the redline conflict scenario still relevant?

• Focus on the implications (for the scenario) of 2 major trends in cross-Strait relations:
  – Rapidly shifting balance of power in PRC’s favor (as a consequence of China’s rapid rise and military modernization).
  – Increased economic integration and cooperation across the Taiwan Strait (growing economic ties and recent agreements since 2008).
Cross-Strait economic ties: rapid growth even before current détente.

Figure 2: Cross-Strait Trade (billions US$)
(source: Cross-Strait Economic Statistics Monthly)
PRC tourism in Taiwan
(picture from Christian Science Monitor)
PRC tourist visits to Taiwan
Normalization of cross-Strait economic ties
Deepening economic integration/cooperation

• On the surface economic ties are highly asymmetric.
• But the PRC benefits greatly from exchange.
• Economic integration makes military conflict more costly, as war would be highly disruptive to cross-Strait economic ties.
A simple conceptual model of the redline conflict scenario

Taiwan’s costs of war $c_t$

China’s costs of war $c_c$
A simple conceptual model of the redline conflict scenario

Taiwan’s costs of war $c_t$

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U T W SQ R I
Effect of economic integration

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Effect of economic integration

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U I

T W SQ R
China’s growing military power

(Image from Reuters)
Military spending, millions 2011 USD
Source: SIPRI Military Expenditures Database
Sustainability of US commitment to Taiwan?

The New York Times

November 10, 2011
To Save Our Economy, Ditch Taiwan
By PAUL V. KANE
Washington
WITH a single bold act, President Obama could correct the country’s course, help assure his re-election, and preserve our children’s future.
He needs to redefine America’s mindset about national security away from the old defense mentality that American power derives predominantly from our military might, rather than from the strength, agility and competitiveness of our economy. He should make it clear that today American jobs and wealth matter more than military prowess.
As Adm. Mike Mullen, then chairman of the Joint Chiefs of Staff, declared last year, “The most significant threat to our national security is our debt.”
There are dozens of initiatives President Obama could undertake to strengthen our economic security. Here is one: He should enter into closed-door negotiations with Chinese leaders to write off the $1.14 trillion of American debt currently held by China in exchange for a deal to end American military assistance and arms sales to Taiwan and terminate the current United States-Taiwan defense arrangement by 2015.
Effect of shifting balance of power

Taiwan’s costs of war $c_t$

China’s costs of war $c_c$
Effect of shifting balance of power

Taiwan’s costs of war $c_t$

China’s costs of war $c_c$
Effect of shifting balance of power

Taiwan’s costs of war $c_t$

China’s costs of war $c_c$
Combined effects, economic integration and shifting power balance

Taiwan’s costs of war $c_t$

China’s costs of war $c_c$
Implications, redline scenario

• Major trends have ambiguous net impact on PRC reversion point (redline). No reason to think that there is room to move toward independence.

• Major trends make conflict outcome unambiguously worse from Taiwan perspective. Risks of pushing status issues increasing.

• Expectation: utility of revisionist policies declining for Taiwan. Expect redline conflict scenario to be less probable than in the past, even if DPP returns to power.
Qualifications, redline conflict scenario

• Domestic political factors could still push DPP toward revisionism, even though bilateral trends in the Taiwan Strait should make less appealing.

• If shifting power balance becomes the dominant trend (overwhelming economic integration), then can shift from deterrence to “compellence”.
Shift to compellence

Taiwan’s costs of war $c_t$

China’s costs of war $c_c$
Shift to compellence

Taiwan’s costs of war $c_t$

China’s costs of war $c_c$
Shift to compellence: PRC redline shifts left
Why a shift to compellence could be dangerous.

• Once R shifts left of SQ, China prefers to fight rather than accept a continuation of that status quo.
Why a shift to compellence could be dangerous.

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Why a shift to compellence could be dangerous.

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• War is obviously costly for Taiwan, so clear incentives to accommodate.
• However, accommodation could prove difficult:
  – Little support in Taiwan for accommodation on sovereignty issues.
Views on “one country, two systems” (pink: don’t support; blue: support...series ends in 2008)
Why a shift to compellence could be dangerous.

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  – Credible commitment problems likely to loom large, as Taiwan concessions on sovereignty issues likely to further erode Taiwan’s future bargaining power.
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  - Credible commitment problems likely to loom large, as Taiwan concessions on sovereignty issues likely to further erode Taiwan’s future bargaining power.
  - People tend to be resistant to bargaining away what they already have; could lead to more risk-accepting behavior by Taiwan.
Is the pessimistic trends analysis scenario still relevant?

• Review: scenario hinges on a preventive logic: time is not on Beijing’s side.
• There are some rather obvious reasons for Beijing to be optimistic rather than pessimistic about long term trends in the Taiwan Strait.
• But I will argue that the scenario is not completely obsolete.
Reasons for PRC optimism: implications of 2008 KMT resurgence

<table>
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<tr>
<th></th>
<th>Frank Hsieh Su Tseng-chang</th>
<th>Ma Ying-jeou Vincent Siew</th>
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<tr>
<td>Name</td>
<td>5,445,239</td>
<td>7,658,724</td>
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<td>Percentage</td>
<td>41.6%</td>
<td>58.5%</td>
<td>0.89%</td>
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</table>
Other reasons for PRC optimism

• Rapidly changing military balance of power
• Deepening economic integration increasingly ties Taiwan to China
• These trends suggest that, to some extent at least, time is on China’s side.
  – China can thus be patient: no need for prevention.
But some reasons for PRC pessimism remain
Ma Ying-jeou approval rating (from China Times)
DPP China policy

(Photo from Want China Times)
Changes in Taiwan identity continue even under Ma
Preferences on unification/independence

Changes in the Unification - Independence Stances of Taiwanese as Tracked in Surveys by Election Study Center, NCCU (1994～2013.06)

臺灣民眾統獨立場趨勢分布（1994～2013.06）

儉快統一 Unification as soon as possible
傾向統一 Maintain status quo, move toward unification
維持現狀再決定 Maintain status quo, decide at later date
永遠維持現狀 Maintain status quo indefinitely
傾向獨立 Maintain status quo, move toward independence
儘快獨立 Independence as soon as possible
無反應 Non response

年度 Year

國立政治大學選舉研究中心 製
Support unification if conditions favorable

From Taiwan’s Election and Democratization Survey
Support independence if peace could be maintained

From Taiwan’s Election and Democratization Survey
Some thoughts on the accidental war scenario

• Accidents are most dangerous when there are incentives for rapid escalation, such as a belief that there are large advantages to striking first (or disadvantages to being the target of a surprise attack).

• Accidents could then give rise to what van Evera refers to as a “shoot first, ask questions later” mentality.

• Scenario would appear to hinge largely on the degree to which Taiwan has significant offensive capabilities (i.e. systems capable of striking targets in the PRC).
  – If Taiwan’s capabilities are mostly defensive, then no reason to escalate.
Taiwan’s interest in “offensive” capabilities

(Image from J. Michael Cole, *The Diplomat*)
Why Taiwan would be unlikely to adopt a preemptive mentality, even with significant offensive capabilities

- Even if Taiwan fears a PRC attack is imminent, the risks of preemption are massive:
  - Taiwan’s offensive capabilities are and are likely to remain very limited relative to PRC capabilities.
  - Preemption virtually guarantees that things will get very ugly.
  - Preemption may undercut likelihood of US intervention.
Why Taiwan’s pursuit of offensive capabilities could nonetheless be destabilizing

- Increases tactical benefits of surprise from PRC standpoint.
- Could be especially destabilizing in combination with a rapid shift in the cross-Strait balance of power and a shift to compellence:
  - Makes it harder for the PRC to signal a willingness to use force, since signaling destroys benefits of surprise.
Conclusion: reasons for optimism

• Current trends in the Taiwan Strait appear to be reducing the likelihood of the scenario that most worried analysts prior to 2008—the redline conflict scenario.

• Many long-term trends appear in favor of PRC, which mitigates logic of prevention

• Taiwan’s limited offensive capabilities mitigate logic of preemption, and hence means the likelihood of accidental war is probably small.
But...

• If a shifting balance of power comes to be the clear dominant trend in cross-Strait relations, the redline conflict scenario could re-emerge in a potentially more volatile form: where a revisionist China aims to compel changes in Taiwan’s status.
  – It would be difficult for Taiwan to accommodate on sovereignty issues.

• Though many trends are more favorable from PRC perspective, support for unification in Taiwan remains very limited, despite economic integration.

• Taiwan’s recent increased interest in offensive capabilities could be destabilizing, especially in combination with a rapidly shifting balance of military power.
Questions?