

Rethinking the Triangle:

Possibilities and Pitfalls

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Since the United States sent its Seventh Fleet to the Taiwan Strait after the outbreak of the Korean War in June of 1950, there has existed a triangular relation between Washington, Beijing and Taipei. After sixty years of dynamic change in both global and East Asian regional contexts, the nature of the triangle has also substantially changed. Each set of bilateral economic relationships within the triangle has never been better, yet the increasing trust gap between the United States and China, the two bigger players in this triangle, has cast the third player and Asia more generally into uncertainty over the future direction of the triangle.

China's increasing economic and military capabilities have been the salient agent of change within the triangle. The spectacular performance of the Chinese economy over the last three decades has put China on the center of the world stage. With its GDP quadrupling in less than 16 years, China has become the world's economic powerhouse. Every day seems to bring new astonishing figures from China: China has become the largest trading state; China's foreign reserves exceed the two trillion dollar mark; China surpasses the United States to become the largest automobile market; China will have its first stealth jetfighter and its first aircraft-carrier, and so on. Within the span of a single generation, China has moved from near isolation to become the hub of the globalized economy, and from an obsolete and bloated military to a much more professional force possessing increasing degrees of high-tech excellence.

While China has become the world's fastest growing economy, the American economy grew by only three percent from 2008 to 2012. As China's influence has become increasingly expansive both within Asia and in other region of the world, there is increasing concern in the United States that China may become the most fearful challenger to American interests. The media have begun to talk about China's thirst for global oil, and China's investment in strategically important regions of the world. Newspapers are full of stories about how China's economic achievement challenges U.S. manufacturers and service providers. Academia is talking about China's soft power offensive and China's neocolonialism. China's destruction of a satellite using one of its missiles in 2007 alarmed many military planners in the West. How should the U.S. respond to this newly emerged great power? Should Beijing be viewed as an impending adversary or a friendly competitor? Washington seems to have started another national debate over China just as it had sixty-five years ago over the former Soviet Union at the end of World War II.

As China's economic power grows, the cross-strait economic relationship between Beijing and Taipei have also never been better, and Beijing has become Taiwan's largest trade partner and largest export market. Nevertheless, the fluidity of domestic politics in Taiwan has also cast huge doubts about future direction of cross strait relations, and people widely speculate that the DPP may come back to power in 2016. Indeed, the best moment in the economic triangle is shadowed by the worst of the security triangle. Why has economic interdependence not brought expected improvement in the triangle?

To better understand this puzzle in the Washington-Beijing-Taipei (W-B-T) triangle is not only theoretically significant, but carries with it tremendous policy implications. Womack suggests that we view this W-B-T triangle from a new perspective. Since this asymmetric triangle has both security and economic dimensions, he believes that the security triangle has been more important and decisive to the whole triangle relationship, as it determines the fundamental stability of relations. However, the security triangle seems to have undergone significant changes over the last 30 years and has become increasingly unstable. In the 1980s, the United States, the strongest power within the triangle, was in the pivot position because its weight plus either of the other two was decisive, and therefore it was only interested in avoiding crises and maintaining its controlling position. The pivot was thus a status quo peace-holder. China as the middle power was the frustrated one, since it could imagine being able to resolve its conflict with the third power only if the pivot would not interfere. Taipei as the smallest player in the triangle was the anxious one since its fate was in the hands of the largest. The expected courses of policy, therefore, have been that the smallest tries to bind the largest to the triangle, while the middle power tried to break the relationship. The largest was thus the center of attention, and as long as the status quo prevailed, its position is advantageous with minimal costs.

Since 2008, the W-B-T security triangle has become fundamentally unstable and uncertain. Each leg of the triangle has become more complex in terms of security concerns. The rivalry in the relationship between Washington and Beijing has intensified globally, although each side recognizes that it needs the other in many facets of global governance. The drastic increase of China's economic and military power has profoundly changed the nature of the security triangle. As Womack notes, "Washington must choose between its advantages of high profile and the increasing risk of high cost and perhaps failure." Taipei has been trying desperately to maintain Washington's involvement for fear that they may break the triangle by yielding to China. China is in a stronger position with both the other two players and can decide to risk breaking the triangle.

Womack develops an alternative model of an opportunity-driven, inclusive W-B-T triangle. He argues that the exclusivist mentality of the security triangle

actually increases security risks by distracting us from the significance of improving relationships. Therefore, the Washington-Beijing-Taipei security triangle should be revisited in order to change from the current “zero-sum mentality in this triangle relationship into a positive, constructive and inclusive mentality, the one in which improvements between any two sides benefits the third partner.”

I agree with Womack’s idea and his insightful analysis of the dynamic nature of this triangle. The W-B-T triangle indeed needs new and creative thinking. It is true that better cross-Straits relations reduce security risks and offer a variety of opportunities. And better relations between China and the United States could be reassuring rather than alarming to Taiwan. Better U.S.-Taiwan relations could also further expand China’s opportunities. It would be better that we should have an overall conception of interrelationship that fits reality, promotes mutual interests and leads to a win-win-win situation.

However, the reality also points in other possible directions. The mutual distrust between the United States and China may change their bilateral relations from the current benign competition to antagonistic confrontation, leaving Taiwan to either “abandon” Washington or “abandon” Beijing. If Taipei took such provocative action, Washington and Beijing may be dragged into a crisis over the Taiwan Straits that culminate in a lose-lose-lose outcome. Womack asks several important questions: Are the political, social and economic trends of the triangle moving closer to or further from confrontation? Does the increasing interconnection of the Taiwanese economy with the Mainland make it more or less likely to take desperate action? Under what circumstances is China likely to pursue a military option?

To answer these questions, we may need to examine if the economic interaction in the triangle is able to reduce tension and increase mutual trust in the long run. Or, whether the economic interactions between the three players have had virtually no impact on political and military trust within the triangle?

Does economic interdependence promote amity?

It is quite common to assume that economic integration may reduce the risk of military confrontation. Based on the assumption of classical liberalism, more extensive contacts between nations foster greater chances for peace because nations who rely upon one another economically cannot afford a war that may disrupt their daily life. Furthermore, more cultural contacts between nations may make people more sensitive to the others’ concerns. Beijing’s policies towards Taiwan, Hong Kong and Macao are conducted under these assumptions.

China and the United States have become economically interdependent. China’s trade with the U.S. was 14.7% of its overall trade in 2004. From 2003–2004, the volume of US-China trade increased by 34% and the volume of US import from China increased by 32%. According to the statistics of the World Trade Organization, China’s exports to the U.S. were 17.1% of its total

exports in 2011, and China's imports from the U.S. were 7.1% of its total imports in 2011. On the other hand, the U.S.'s exports to China were 7.0% of its total exports in 2011, and the U.S.'s imports from China were 18.4% in 2011. From 2001 to 2011, U.S. exports to China increased 5.41 times from \$19.2 billion to \$103.9 billion, while its imports from China grew 3.9 times from \$102.3 billion to \$399.3 billion. U.S.-China trade grew from \$65 billion in 1996 to \$343 billion in 2006 and to \$503.2 in 2011. As a result, the U.S. suffered a trade deficit of \$295.5 billion in 2011, a huge trade gap that has become a major concern in Washington.¹

Economic benefits tend to be mutual; however, Washington has begun to worry that China's mercantilist policy might undermine the American economy. Some special interest groups in the United States allege that China engages in unfair commercial practices, such as policies affecting exchange rates, intellectual property rights, subsidies, accumulation of foreign exchanges reserves and China-based cyber theft of American trade secrets and technology. On Chinese side, Washington is viewed as taking advantage of the US dollar as a reserve currency, exporting inflation to China by "quantitative easing," and adopting various protectionist measures to undermine Chinese economic growth.²

In April 2007, the U.S. Commerce Department applied duties on coated paper from China, reversing a 23 year-old policy of not placing duties on countries that do not have market economies. From 2001 to 2012, the U.S. initiated anti-dumping investigation 109 times and took anti-dumping measures 92 times against China in the WTO regime, and China initiated anti-dumping investigations 35 times and took anti-dumping measures 27 times against the U.S. In WTO in the same period. The U.S. complained 15 times against China, and China complained 8 times against the U.S.

Huawei Technologies Co. Ltd., a Chinese private multinational networking and telecommunications equipment and services company headquartered in Guangdong, sought to purchase the 3 Leaf systems, but the bid was prohibited by the U.S. government due to security concerns. In 2012, The House Intelligence Committee said that after a yearlong investigation it had come to the conclusion that Huawei and another Chinese business, ZTE Inc., posed national security threats due to their close ties to the Chinese government, which, according to the committee, was heavily subsidizing the companies. The committee worried that the business of these two corporations in the U.S. may give the Chinese government the ability to easily intercept communications and could allow it to start online attacks to critical

¹ The U.S.-China Trade Business Council, <https://www.uschina.org/statistics/tradetable.html>.

² Kenneth Lieberthal and Wang Jisi, Addressing U.S.-China Strategic Distrust, the Brookings Institution, March 2012.

infrastructure, like dams and power grids.³

In fact, the economic friction between Beijing and Washington has become a new source of tension in bilateral relations. Many in Beijing believe that China has become the scapegoat for American economic failure. Since China holds huge amount of U.S. treasury bonds, some Chinese experts use terms like “kidnapping,” “cheating,” “stealing” and “plundering” to refer to Washington’s decision to devalue the U.S. dollar. China in fact has begun to diversify its import and export markets in an attempt to reduce its dependence on the United States. The trade dependences of the two went in opposite directions in the last decade. According to China’s National Bureau of Statistics, China’s international trade has been less dependent on the U.S. Its total trade with U.S. decreased from 10.76% of its trade with the world in 2001 to 7.0% of its trade with the world in 2011. On the other hand, U.S. trade is more and more dependent on China. According to the U.S. Census Bureau, U.S. trade with China increased from 6.49% of its world trade in 2001 to 13.6% in 2011.

According to some historians, economic interdependence may not be a peace holder. For example, Japan depended on the American supply of raw materials during the 1920s and 1930s, and this dependence led to its attack on Pearl Harbor. John Lewis Gaddis once argued that the United States and the former Soviet Union had a long peace during the Cold War that was the result of independence economically rather than interdependence.⁴ Gaddis further argues in his classic work “The Long Peace” that the distance and independence of the two superpowers provided the structural prerequisite for stability. The fact that there were so few opportunities for interaction between the United States and the Soviet Union provided little leverage to either in dealing with the other.

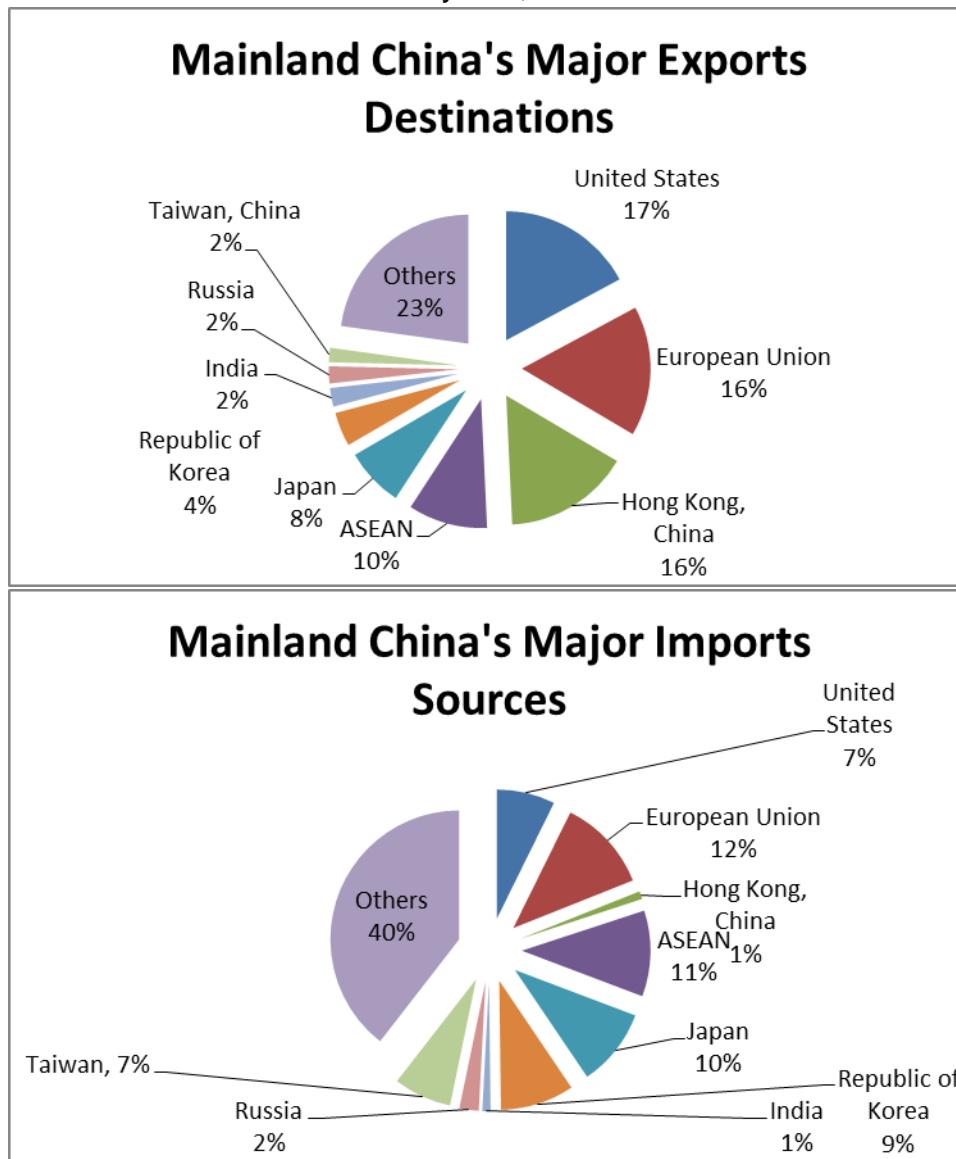
Tse-Kang Leng clearly articulates in his chapter the fact that the economic integration between Taiwan and mainland China has not created any trust in the political and military arenas in cross-Straits relations. In fact, it complicated domestic politics in Taiwan and increased the differences in the basic policy between the KMT and DPP in their policy towards Taipei’s future relations with Beijing. As he says, “The more unstable aspect of the triangle is Cross-Strait relations between mainland China and Taiwan.”

The same may be said of Beijing-Tokyo relations. The Sino-Japanese economic interdependence has deepened substantially over the last three decades, yet trade and mutual economic interests have done little to nurture trust between Beijing and Tokyo, or to ease the tensions of the territorial

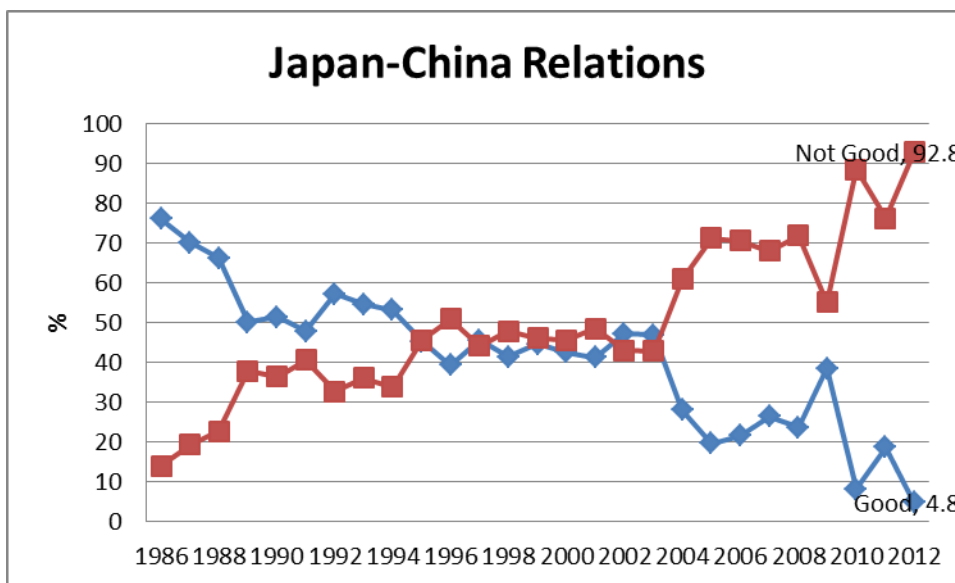
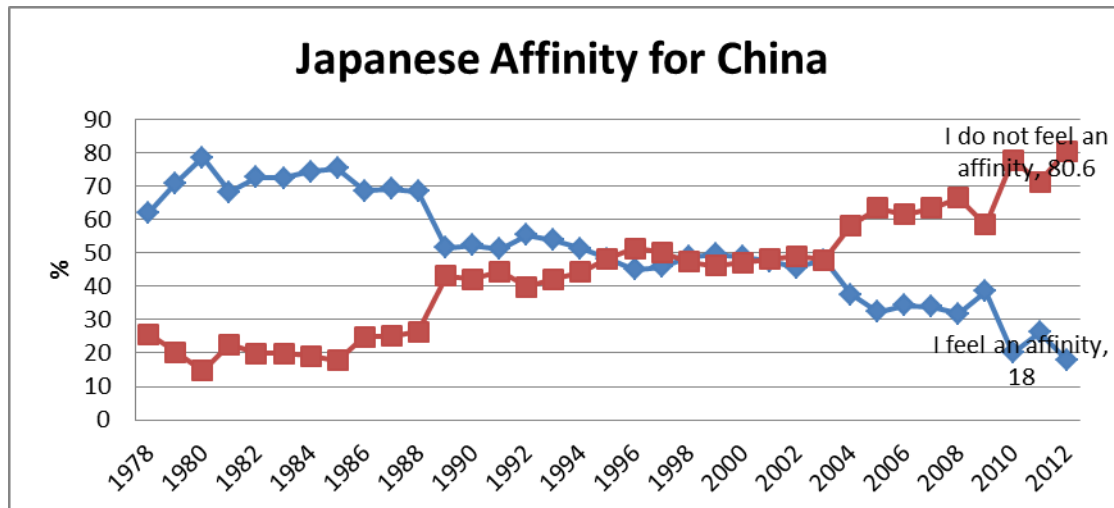
³ Schmidt, Michael S., K. Bradsher, and Kristine Hauser. “U.S. Panel Cites Risks in Chinese Equipment”, http://www.nytimes.com/2012/10/09/us/us-panel-calls-huawei-and-zte-national-security-threat.html?_r=1&, October 8, 2012.

⁴ John L. Gaddis, *The Long Peace, Elements of Stability in the Postwar International System*, *International Security*, Spring 1986, vol. 10. No. 4. pp.99-142

disputes. In his chapter Takashi Sekiyama argues convincingly that the steady improvement of Sino-Japanese economic relations has done little since September 2012 to prevent the sudden deterioration of bilateral relations due to sovereignty issues over the Diaoyu/Senkaku islands. Indeed, according to Japanese official statistics, trade between Japan and China grew six fold from 1991-2011, while Japan-U.S. trade declined 20% during the same period. Japan has become quite important to China's foreign trade in 2012 as illustrated in Chart 1 and 2. Nevertheless, the image of China in Japan seems to have worsened over the last 10 years, as illustrated in Chart 3 and 4 below:



Source: National Bureau of Statistics of China, Statistical Communiqué of the People's Republic of China on the 2012 National Economic and Social Development, February 22, 2013.



Source: Public Relations Office of the Minister's Secretariat for the Cabinet Office (内閣府大臣官房政府広報室), The Public Opinion Survey on Diplomacy (外交に関する世論調査), <http://www8.cao.go.jp/survey/h24/h24-gaiko/index.html>, October 2012 (平成 24 年 10 月)。

Takashi tends to view the failure of economic interdependence to preserve good Sino-Japanese relations as a result of the decline of Japan's economic importance to China compared to the past, and he notes that this decline is particularly exemplified in the Japan's diminished share of China's trade. I would argue, however, that economic interdependence is simply a "light factor" that can easily be dwarfed by other political and security considerations.

A similar case is Hong Kong. Beijing has increased its economic "candy" to Hong Kong since its return to Beijing in 1997, with increasing bonuses given to the Special Administrative Region (SAR). In June 2003, the Government of the Hong Kong Special Administrative Region and the Central Government of the PRC signed the *Mainland and Hong Kong Closer*

Economic Partnership Arrangement (CEPA), according to which qualifying products, companies and residents of Hong Kong enjoy preferential access to the mainland Chinese markets. And in July 2003, the Beijing government initiated the Individual Visit Scheme to allow tourists from mainland China to visit Hong Kong on an individual basis, not necessarily on business visas or in tour groups. However, Hong Kong has been moving in two interesting directions: economically more dependent on Beijing, while politically moving more decisively toward self-determined autonomy in its domestic politics.

Therefore, it is indeed difficult to say that economic integration will definitely lead to a harmonious relationship in the triangle. It is safe to say that the current trends have only produced mixed results. Economic incentive is obviously insufficient to improve mutual trust and to stabilize the triangle.

The contribution of an inclusive triangle

The question remains why economic interdependence couldn't reduce mutual distrust. The answer may lie in the structural change of the W-T-B triangle. Although 30 years of Sino-American relations have produced a mature relationship in which both sides seek to build a constructive partnership, the mutual distrust of long-term intentions has become more apparent lately and has increasingly become a central concern.

According to power transition theory, the threat posed by a challenging state is a function of its dissatisfaction with the existing international system created and maintained by the dominating power. Conflict, or even war, may occur when the dissatisfied challenger feel less "respected" and denied by the leading state's access to overseas resources.⁵ In today's international system, China and the United States fulfill roles of 'challenging power' and the 'dominating power' respectively, and the rapid expansion of China's influence in what is traditionally the American sphere of influence related to commodities markets and energy supplies reflects their structural contradiction. Yet the likelihood of war also depends on the posture of the dominant power, which can try to either contain or accommodate the challenger. At this moment, American elites are debating what kind of China policy might best serve American interests.

From the perspective of classic realism of international relations, the real issue here is the security dilemma. Since survival is the main motive of states, leaders of states tend to be distrustful of other states' intentions and, as a consequence, they always try to maximize their own security. China and the United States are now entering into a situation in which U.S. actions intended to heighten its security, such as "rebalancing," can lead China to respond with similar measures of military buildup, a response that may produce increased tensions that create conflict, even when no side really

⁵ Jack Levy, "Power Transition Theory and the Rise of China" in *China's Ascent*, edited by Robert Ross and Zhu Feng, Cornell University Press, 2008, p. 13.

desires it.

Recently, people have realized the significance of perceptions in U.S.-China relations as the source of this fragility, and the study of mutual perceptions has achieved a prominent place in the scholarly literature on Sino-American relations.⁶ Indeed, what is perceived — though not necessarily a reflection of realities — has important impacts in determining a particular policy action. It is widely believed that the United States and China held ambivalent and contradictory mutual perceptions, and these perceptions, along with numerous stereotypes, have contributed considerably to the volatility of Sino-American relations for the last 100 years. However, some recent research seems to suggest that there has been a notable shift in Sino-American imagining of the other in recent years, and this shift has been towards the hardening of negative and demonized images. Due to this shift, a rise of anti-American nationalism in China and anti-Chinese sentiments in America has become noticeable.

Indeed, the increase of Chinese economic and military capabilities has begun to enable the Beijing leadership to secure many widely-defined core interests as a great power. Dai Bingguo, Chinese State Councilor for External Relations, defined China's core interests in three areas: first, China's political stability, namely, the stability of the CPC (Communist Party of China) leadership and of the socialist system; second, sovereign security, territorial integrity and national unification; and third, China's sustainable economic and social development.⁷

China's long-term strategic goal is to catch up with developed countries by building "a prosperous and strong modern country" (*fuqiang de xiandai guojia*) with a high degree of internal harmony. China's national security and the CPC internal legitimacy depend on this strategic goal: to catch up with industrial countries not only in absolute economic terms, but also in technological and military terms as well by substantially improving its domestic economic structure and governing capability.

However, American cannot trust that China would be willing to be only a regional power. Based on Western historical experience, a country's ambition

⁶David Shambaugh, *Beautiful Imperialist: China Perceives America, 1972-1990* (Princeton, Princeton University Press 1991); Steven Mosher, *China Misperceived: American Illusions and Chinese Reality* (New York: Basic Books, 1990); Richard Madsen, *China and the American Dream* (Berkeley: University of California Press, 1994); Jianwei Wang, *Limited Adversaries: Post-Cold War Sino-American Mutual Images* (Oxford: Oxford University Press, 2000) to name a few.

⁷ Dai Bingguo, "Stick to the Road of Peaceful Development" [Jianchi Zou Heping Fazhan Daolu], in *Counseling Reading of "the Recommendations of the CPC Central Committee for Formulating the 12th Five-Year Plan for National Economic and Social Development"* ["Zhonggong Zhongyang guanyu Zhiding Guomin Jingji he Shehui Fazhan di Shi'er ge Wunian Guihua de Jianyi" Fudao Duben], Beijing: Renmin Press, 2010.

grows as its economic and military power expands. Meanwhile, China cannot trust Washington to refrain from containing China. Washington's efforts to promote democracy worldwide are viewed in Beijing as attempts to sabotage the CPC leadership in Beijing. The influence of American ideology, and especially the idea of the U.S. advancing human rights, is perceived as aimed to "westernize" and "divide" China. The fundamental sources of growing strategic distrust between the two countries, then, lie in their different political traditions, value systems and cultures, insufficient comprehension and appreciation of each other's policy making processes and a narrowing gap in power between the two countries.⁸

President Obama's "pivot toward Asia" has an ambiguity similar to that of the Washington-Beijing-Taipei triangle; does the dance include China, or is the American swing around China's periphery an attempt to isolate or even contain China? Seen by China through the lens of a security triangle, the United States is strengthening its alliance with China's neighbors with the aim of containing China. It appears that any improvement in U.S.-Asia relations is at the likely cost of China-Asia relations, and vice versa.

The key question, then, is how to reduce the mistrust or distrust between the United States and China as well as in Cross-Straits relations. Womack correctly notes that the inclusive, opportunity-driven Washington-Beijing-Taipei triangle is the solution. The reality of inclusion is already present and "the shadow of the security triangle can be seen in the fears, suspicions, and inhibitions of the participants, but its empirical grounding has faded to a trace."⁹ It is true that there are positive developments on China side. China has chosen to cooperate with the United States during the financial crisis of 2008–2009, even though there are policy suggestions within China's policy study circle that Beijing should seize the opportunity to weaken the United States further. In that sense, China has tried to demonstrate its desire to "increase trust, reduce trouble and develop cooperation" an important move towards an inclusive triangle.

In terms of cross-strait relations, Beijing has also made efforts to ameliorate concerns on the Taiwan side. The "1992 Consensus" has been incorporated for the first time into the Party Report in the CPC's 18th Party Congress. As Ren Xiao details, Beijing also commits itself to "institution-building" in Cross-straits relations, which entails a promise not only to regular high-level meetings between KMT and CPC, but also indicates a possibility of opening an office in each other's capital.

It is also time to consider developing a deeper and more institutionalized relationship between Beijing and Washington, one that is firmly anchored in a strategic framework that accepts the reality of competition

⁸ Kenneth Lieberthal and Wang Jisi, Addressing U.S.-China Strategic Distrust, The Brookings Institutions, March 2012.

⁹ See Womack's paper.

while encouraging cooperation, improvement of mutual trust and the establishment of a structure for negotiation of conflicting interests. That is why the idea of an inclusive triangle relationship deserves our serious attention.

This new framework for a relationship between China and the United States should recognize the reality of the two countries' strategic competition. Beijing and Washington should define key areas of shared interest and respect each other's strategic interests. China should respect America's global interests and promise not to challenge the existing global order led and maintained by the United States. In return, Washington should respect China as a leading regional power in Asia and its core interests, particularly in terms of the territorial integrity in the East China Sea and the South China Sea, as well as in the cross-straits relations. For this purpose, a regular summit between Beijing and Washington should be maintained annually and top leadership should be personally involve in handling issues in bilateral relations from a strategic perspective.

Misperception and distrust as factors in the triangle

In terms of Cross-Strait relations, there are also misperception and distrust. As Ren's and Leng's papers illustrate that there is a perceptual difference as to whether Taiwan can be treated as a sovereign entity regarding to the nature of Cross-Strait relations.

The Taiwan issue has been the most disputed and disruptive issue in Sino-U.S. relations ever since the normalization of relations in 1979. On the one hand, Taiwan benefitted economically from its interaction with the mainland. On the other hand, China has made repeated offers to Taiwan with the hope that the island may be eventually be reunited with mainland. From 1995 to 2008, Lee Teng-Hui and Chen Shui-Bian have emphasized Taiwan's sovereignty, which concerns the Beijing leadership enough to engage in a military buildup in the mainland to deter Taiwan from drifting away. This, however, has only made Taiwan more anxious and produced more initiatives, including an attempted referendum for UN membership. Nevertheless, the issue seems to have become manageable in the last several years, since the enactment of the Anti-Secession Law by Beijing in 2005. America seems to have been well aware of the China's bottom line over the issue, and has joined China to keep the Taiwan issue within the *status quo*.

With U.S. assistance in this respect, Beijing has become less driven to rhetoric and over-reactions than before when facing the irritants initiated by the Taiwanese leaders. Beijing leaders seem to believe that the U.S. is simply not interested in supporting the *de jure* independence of Taiwan, even though they remain suspicious about the U.S.'s intentions and are in principle unhappy with Washington providing sophisticated weaponry to Taiwan. In September 2007, despite Chinese protests the Pentagon announced possible

sales to Taiwan of a dozen P-3C Orion anti-submarine, patrol aircraft, and SM-2 anti-aircraft missiles, altogether worth more than US\$ 2.2 billion. The U.S. continued the sale of advanced weapons to Taiwan, despite the improved Cross-Strait relations under the Ma Administration, a fact that has increased China's distrust of the U.S.'s long-term strategic intentions. Washington's recent rebalance towards Asia further contributes to Beijing's sense of unease.

How to break this security impasse in the triangle, and transform the exclusive security one into an inclusive one? This is a difficult task, as all sides tend to be suspicious about any potential collusion in the triangle at its own expense. Womack suggests that we no longer view Taiwan as a problem and instead change our mindset to view it as an opportunity. People in the United States have begun to talk about reducing the U.S. security commitment to Taiwan as a policy option. Some believe that Taiwan itself has chosen to improve relationship with Beijing and, therefore, Taipei may need less weaponry from Washington. Others view that Taiwan has become more and more of a strategic liability to Washington and they argue that Taipei seems to have decided to accommodate to Beijing and rely much less on the United States. If so, it might be the moment for Washington to remove this long-time burden of providing for Taiwan's security.¹⁰ Should the United States reduce its security commitment to Taiwan? Many within the Washington Beltway may not think so. In the last three decades Taipei remained sensitive to the developments in the Washington-Beijing ties, and worried about Washington's possible concessions to Beijing at Taipei's expense. However, after the 2008 election, Ma Ying-Jeong actively sought to engage China largely for the purpose of improving relationship with Washington. This is because U.S. officials feared that Taiwan might spark a Chinese over-reaction, creating a crisis that may require U.S. intervention.¹¹

In his report delivered to the 18th Party Conference, Hu Jintao called for a peace agreement negotiation with Taiwan. This seems to be a major change in Beijing's cross-strait policy, as Beijing used to oppose such an idea, arguing that Taiwan cannot be recognized as a sovereign partner and the United States should not interfere in China's domestic affairs. Should the United States encourage Taiwan to accommodate China's request? Since Beijing did not ask for unification at this stage and only asked for a peace agreement, this might be viewed as a positive step and a necessary instrument to stabilize the cross-strait relations. It is also in the best interests of the W-B-T triangle and in American interests to encourage this development. In fact, the United States

¹⁰ Bruce Gilley, "Not so Dire Strait: How Finlandization of Taiwan benefits U.S. security," *Foreign Affairs*, vol. 89, no. 1, (January/February, 2010) pp.44-60.

¹¹ Richard Bush, *Uncharted Strait: The Future of China-Taiwan Relations*, (Brookings Press, 2013)

should use its influence to facilitate such an agreement, if not acting as a mediator. Some 60 years ago, Washington sent George Marshall to China to mediate the conflict between the CPC and the KMT during China's civil war. Why couldn't the Washington play a similar role at this historical juncture? Womack further develops the notion of negotiation within the triangle:

“The essence of an asymmetric inclusive triangle is not unanimity of interests, but rather the assumptions that mutual benefit is possible, that individual benefit can be furthered by negotiation, and that the benefit of any two sides is likely to be beneficial to the third. In the realm of politics, it assumes that the three actors remain autonomous pursuers of their own interests while negotiating mutually acceptable arrangements. In the realm of security, it assumes that vulnerability can be reduced or structured through negotiation. It should not be viewed as American abandonment of Taiwan, since the negotiation may enhance Taiwan's security rather than weaken it.”¹²

Washington is certainly a key player and able to move the relations into an inclusive triangle. However, at this stage, the United States seems unlikely to play that role. Many people in Beijing really doubt whether Washington would like to give up Taiwan and lose the leverage that Taiwan has provided Washington in its dealing with Beijing. Since most serious challenge for managing the Washington-Beijing-Taipei triangle remains to be the reduction of distrust among all players, Washington's possible involvement in Beijing-Taipei peace talks would substantially reduce Beijing's distrust of the United States' strategic intention.

There is a fundamental perception difference between Taiwan and mainland China. Ren Xiao argues in his paper that, after overcoming the high danger period of Chen Shui-Bian, Beijing has taken practical steps with strategic vision to improving cross-strait relations, and he believes that this has laid the foundation for cooperation. However, Leng articulates in his paper that domestic politics in Taiwan may continue to cast a lingering shadow on the future direction of the Cross-Strait relations.

Current regional disputes and a transformed triangle

The recent development of conflict between Japan and China over a disputed chain of islands brought forth new elements in the W-B-T triangle. On September 10, 2012, the Japanese government decided to purchase from a private businessman three islets in a chain of disputed islands (the Diaoyu, or Senkaku, Islands as they are called respectively in Chinese and Japanese) in the East China Sea. Beijing sees the purchase as an affront to its claims and to the past tacit agreement to shelve the island dispute quietly. Despite Tokyo's attempts to calm the dispute, China sent patrol boats to the disputed area for the first time, an action that significantly escalated the two countries' worst

¹² See Womack's paper.

dispute in recent years. Taipei has also claimed these islands and, therefore, strongly opposes Tokyo's unilateral action. During this crisis, Beijing and Taipei found a solid common interest and a common stance. However, Washington does not want to see the tacit alliance between Taipei and Beijing regarding this event. Ma Ying-Jeou is obviously under American pressure not to collaborate with China against Japan.

The possible change in the W-B-T triangle may very well have impact on Southeast Asian countries as well. The rise of China has brought forth structural change in East Asia and new challenges to ASEAN, an association that has so far tried to benefit from China's economic rise, but at the same time worries about China's growing power and the possible Chinese domination over the region. ASEAN as a regional interlocutor has responded to the rise of China by deploying a hedging strategy that seeks to benefit from the opportunities and manage the challenges by welcoming America's return to Asia as a balance to China.

However, China's recent territorial disputes with the Philippines and Vietnam in the South China Sea have made the situation in the region more fluid and uncertain. Beijing's leadership has begun to re-examine "the good-neighbor policy" that has been in place since 1978. That policy has been quite accommodative and concessive when it involves territorial disputes. For example, among the 230 reefs, islets, atolls and cays (most of them uninhabited), about 50 of them were occupied by China's surrounding countries since the 1970s. During the 1970s, China passively watched its neighboring countries occupy 7 of them in the Spratly Islands without taking any action. In the 1980s, nineteen more of them were occupied by surrounding countries, while China took only six, and in the 1990s, eight more were taken by the surrounding countries, while China has only occupied one.¹³ This concessive approach has been frequently criticized by increasingly powerful societal forces within China.¹⁴ China seems to have readjusted its diplomatic approach and became more active, or more assertive in the eyes of some Western observers, in defending what it views as its core national interests. While trying to properly resolve potential territorial disputes, Beijing has also endeavored to prevent an America-led coalition against China in the West Pacific, Southeast Asia and Oceania.

The recent crises between Taiwan and the Philippines over the killing of a Taiwanese fisherman by the Filipino Coast Guard on May 9, 2013, have

¹³ 范进发, "南沙岛争策略应为"布势棋"而非"垒墙棋", 凤凰网军事评论

http://news.ifeng.com/mil/forum/duanping/detail_2013_06/06/26159889_0.shtml

¹⁴ Yufan Hao and Lin Su, *China's Foreign Policy Making: Societal Forces and Chinese American Policy*, Ashgate, 2005.

brought the cross-strait relationship closer. Taiwan imposed sanctions and conducted two-days of "safety and rescue drills" with its Naval and Coast Guard forces near the waters where the incident occurred, on the grounds that the killing took place within its exclusive economic zone and the Philippine authority's action was in violation of international law. While Manila tries to be evasive, China sent two naval fleets to the region in a drill to support Taipei's efforts to gain justice with Manila. These actions have obvious implications to ASEAN generally, and to the Philippines and Vietnam in particular. If the relationship between China and the United States, as well as cross-strait relations, can be improved, China may exert more pressure on its neighboring countries with whom it has territorial disputes. This may be seen as more assertive in the eyes of some Western observers. While trying to properly resolve potential territorial disputes, Beijing has also endeavored to prevent an America-led coalition against China in the West Pacific, Southeast Asia and Oceania.

Conclusion

As Womack correctly points out, "rethinking the Washington-Beijing-Taipei triangle is arguably the most important single strategic step that the United States and China can take in order to realign for sustainable leadership in a globalized world." The future prospect of the W-B-T triangle is however, hard to predict. If we try to make it an inclusive triangle and manage to reduce distrust, the triangle may be stabilized and become genuinely mutually beneficial.

For that purpose, Washington and Beijing should commit to regular summitry and upgrade their regular military-to-military dialogues. Washington should consider including China in its planned Trans-Pacific Partnership and encourage peace agreement talk between Beijing and Taipei. The United States should not view its relationship with Taipei as part of a large military presence in the Western Pacific as first chain of island defense perimeter that is preparing for China when China goes global. Likewise, China should learn to behave as a responsible world power, or at least as a responsible regional leader, to smooth the apprehension of other nations in the wake of China's rise. China should also try to be more accommodative to Taipei's desire for more international space, by ensuring that Taiwan independence will not again become a powerful current within Taiwan's domestic politics. Only when Cross-Strait normalcy is institutionalized so that differences are negotiated within a creative framework, can we indeed hail the replacement of an exclusive, security-based triangle by an inclusive, mature and constructive triangle.