

Building Trust Across the Taiwan Strait

A Role for Military Confidence-building Measures

A Report of the CSIS Freeman Chair in China Studies

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FOREWORD

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Cover photo: A helicopter rescues a participant from the Taiwan Strait during the first-ever cross-strait joint search and rescue exercise. The exercise was held on October 23, 2008, between the coastal cities of Xiamen on the Chinese mainland and Jinmen, an island under Taiwan's jurisdiction. Participating local departments included the Xiamen Marine Rescue Center and Sea Patrol Bureau and the Jinmen Harbor Affairs Department, and involved more than 300 people and 42 boats. No military units joined the exercise. Photograph by Zhu Minsong, October 23, 2008; copyright China News Service.

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FOREWORD

In many respects, relations between mainland China and Taiwan have seldom if ever been better. Since Ma Ying-jeou and his Nationalist or Kuomintang (KMT) Party took office in Taipei, there have been a number of landmark agreements reached between the two sides, and most importantly, a spirit of cooperation has evolved that has significantly lessened cross-strait tensions.

Given this dramatic improvement, some might be tempted to argue that there is no longer a need for confidence-building measures (CBMs). This would be wrong. Indeed, the time has never been more appropriate than it is today.

In the past, it was an unfortunate fact that Beijing was not enthused about cross-strait CBMs because it feared a precipitous move toward *de jure* independence on the part of the leadership in Taiwan under former Democratic Progressive Party (DPP) president Chen Shui-bian. Keeping Taipei from feeling confident was part of Beijing's strategy. Today, under President Ma's "no independence, no unification, no use of force" policy, there is a sense of stability that opens the door for deeper cooperation.

There is also a need to maintain cross-strait momentum and to avoid setbacks caused by misunderstanding, suspicion, or even just accidental encounters. This is what CBMs are all about.

It is also true, without in any way demeaning accomplishments thus far, that the initial cross-strait focus, as it logically should have been, has been on the relatively easy issues; addressing more sensitive issues relating to sovereignty concerns and military procedures and deployments will require more work and an even greater atmosphere of trust.

Participants in this cross-strait project, under the able leadership of CSIS's Bonnie Glaser, were under no illusions. The road ahead will not be an easy or sure one. Both sides face challenges and limitations, and healthy skepticism remains over each side's long-term intentions. As the report documents, each looks at CBMs in a different light. From Beijing's perspective, building political trust appears to be the primary objective, while for Taipei, the emphasis is on creating a more predictable security environment while avoiding accidents and incidents. The key to future progress will be the ability of both sides to develop a "win-win" approach toward confidence building with mutually compatible (although not necessarily identical) definitions and objectives.

It is also clear that the United States, while not desiring to put itself in the middle of the CBM process, has a stake in the outcome and is fully supportive of improved cross-strait relations in general and the development of meaningful CBMs in particular.

As the report concludes, there is potential for implementing military CBMs, but only after there is greater political trust established. Initial steps have been taken and more needs to be done to build on the good will created thus far. Maintaining this momentum will require good-faith efforts and continued patience by Beijing and the development of political consensus in Taiwan that would facilitate cross-strait dialogue and ensure that gains, once made, will not be erased, undermined, or exploited by future administrations.

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Pacific Forum CSIS



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I owe a debt of gratitude to officials and scholars on both sides of the Taiwan Strait who shared their perspectives and insights. I also would like to thank the American delegates, listed in appendix A, for their participation. Their expertise was critical to the success of the meetings in Taipei and Beijing and to advancing the discussion on cross-strait confidence-building measures. It should be noted, however, that the report does not reflect a consensus among the delegates. Any errors or omissions are my responsibility.

I would also like to separately acknowledge the contributions of Alan Romberg, distinguished research fellow and director of the East Asia Program at the Henry L. Stimson Center, and Philip Saunders, senior research fellow in the Institute for National Strategic Studies at the National Defense University, both of whom provided comments and invaluable suggestions on the draft manuscript. In addition, I want to thank Benjamin Dooley, researcher in the Freeman Chair for China Studies for his research and contributions to portions of the draft manuscript. I am especially grateful to Lee Ridley, research assistant and program manager for the Freeman Chair, for his administrative and logistical support to the project. Finally, I would like to thank Charles Freeman for his unflagging support.



EXECUTIVE SUMMARY

In the 18 months since Ma Ying-jeou's inauguration, Taiwan's relations with mainland China have improved at a rapid pace. The resumption of quasi-official talks between the two sides of the Taiwan Strait has led to a series of landmark agreements. Among other promising results, the commencement of direct flights, shipping, and postal services have been important steps toward reconciliation. Nevertheless, officials and scholars on both sides of the strait recognize that progress has thus far been limited to relatively easy issues and that addressing such delicate, yet critical, topics as sovereignty and military deployments will require a prolonged period of time and greater political trust.

One such sensitive area is cross-strait military confidence-building measures (CBMs), that is, efforts to improve military-to-military relations in ways that reduce fears of attack and the potential for military miscalculation. Examples of CBMs include hotlines—direct telephone links between heads of state, military leaders, or commanders—and other activities intended to increase transparency, such as publishing defense white papers or providing pre-notification of military exercises. In relationships characterized by mistrust and military tension, such as the one that has historically existed between the authorities on mainland China and Taiwan, CBMs may play a helpful role in building trust and preventing unintended conflict.

To better understand how officials and experts on both sides of the strait are thinking about pursuing military CBMs and creating appropriate conditions for cross-strait discussions of CBMs, a Center for Strategic and International Studies (CSIS)-led delegation visited Taipei and Beijing from August 24 to 28, 2009. This report is based in part on the views shared with us during that visit.

In principle, both sides of the strait agree on the need for bilateral military CBMs, although Beijing is interested in CBMs primarily as a means to build political trust, while Taipei seeks CBMs to avoid accidents and create a more predictable security environment. More importantly, for Taiwan, CBMs should aid in preserving the status quo, whereas the mainland hopes that CBMs will promote reunification.

In addition to differing priorities and objectives, there are other obstacles to an agreement on a cross-strait CBM agenda. In Taiwan, domestic politics impose a serious constraint on progress. Although a majority of Taiwan's people supports President Ma's overall approach to the mainland, there is still sharp disagreement within Taiwan over his specific policies. Ma's general lack of popularity, due in part to other perceived shortcomings of his presidency, has complicated his efforts to build better relations with the mainland. Further complicating the issue is the belief

that talks with Beijing on military CBMs cannot begin without visible support from the United States, which many in Taiwan see as necessary to reduce Taiwan's sense of vulnerability and counter the impression domestically that Ma is tilting toward mainland China. On this note, scholars and officials from Taiwan insist that U.S. arms sales to Taiwan should continue and should not be affected by negotiations over cross-strait military CBMs, if such talks get under way.

There are also differences between the mainland and Taiwan over whether preconditions must be met before CBM talks can commence. President Ma has suggested that military CBMs could be negotiated as part of a cross-strait peace accord, but he insists that Beijing first remove the approximately 1,500 missiles that the People's Liberation Army (PLA) has deployed against Taiwan. Many on the mainland, however, are loathe to offer such concessions, insisting that any adjustments in military deployments must be reciprocal and the result of bilateral negotiation.

From Taipei's perspective, it is premature to initiate talks on CBMs, including authorized discussions between scholars. Officials emphasize that greater cross-strait political trust must be achieved, a domestic consensus must be forged, and ties with the United States must be strengthened before any discussions can begin. Taipei prefers to adhere to the already agreed upon approach of tackling economic issues before political and security issues, and easy problems before harder ones. Although the People's Republic of China (PRC) agrees with this approach in principle, there is a palpable sense of urgency among many Chinese researchers to move forward with informal talks on military CBMs as well as political issues. They worry about Ma Ying-jeou's persistent low rating in public opinion polls and the possibility that the Democratic Progressive Party (DPP), which continues to advocate independence and would not likely respect the current agreement with the Kuomintang (KMT) to set aside the dispute over sovereignty, could return to power in 2012 or 2016. There is also concern that if discussion of political and security issues is postponed too long, obstacles to further cooperation in the economic sphere may emerge.

U.S. support for cross-strait military CBMs is consistent with the long-standing U.S. position that differences between the two sides of the strait should be settled peacefully through negotiations. A central reason that the United States has backed cross-strait CBMs is that a PRC-Taiwan military conflict, even if triggered by an accident or miscalculation, would likely result in U.S. involvement. U.S. government officials do not expect to participate directly in talks on cross-strait CBMs or seek to influence the agenda or the pace of discussions between the mainland and Taiwan. The mainland hopes that the United States will encourage Taiwan to negotiate cross-strait CBMs but will not get involved in those discussions. Many in Taiwan favor a bigger role for the United States, perhaps as guarantor of an agreement.

Despite the challenges, there is great potential for implementing military CBMs between the two sides of the strait. Although the deeply held suspicions between the mainland and Taiwan endure, some political trust has been accumulated during Ma Ying-jeou's presidency, laying the groundwork for closer cooperation and increased confidence that both parties are working toward

mutually beneficial outcomes. Maintaining this momentum will require good-faith efforts by mainland China, Taiwan, and the United States. The mainland needs to be patient and focus efforts on creating conditions that are conducive to beginning talks with Taiwan on military CBMs. This includes signaling its goodwill through unilateral steps of greater transparency, modifications of military exercises, and adjustments in deployments of missiles opposite Taiwan. For Taiwan, furthering the cause of military CBMs depends on the ability of its domestic leadership to bridge the political divide while also taking into account China's interests and sensitivities. The United States should continue to express its firm support for the ongoing process of easing cross-strait tensions and trust building and take reasonable steps to bolster Taipei's sense of security and confidence in the U.S.-Taiwan relationship.



BUILDING TRUST ACROSS THE TAIWAN TRAIT

A ROLE FOR MILITARY CONFIDENCE- BUILDING MEASURES

Bonnie S. Glaser

The thaw in relations between mainland China and Taiwan that has occurred since Ma Ying-jeou assumed the presidency in Taiwan in May 2008 is a welcome development. The resumption of cross-strait dialogue has produced 12 agreements on economic issues and expanded cooperation on functional matters. The pragmatic approach adopted by both sides and their shared focus on building common ground and making nascent efforts to build political trust have stabilized cross-strait relations, enabled Taiwan to satisfy one long-standing goal regarding “international space” by sending an observer delegation to the World Health Assembly, and significantly reduced the risk of miscalculation and the attendant danger of military conflict.

Officials and scholars on both sides of the strait recognize that progress made so far has been on relatively easy issues; discussion of more controversial political and security topics has been suitably postponed until greater political trust has been achieved. Nevertheless, there is a shared view that eventually the more sensitive issues that divide the two sides will have to be confronted. These include knotty problems such as military deployments on both sides of the strait, the definition of “one-China,” and questions pertaining to sovereignty. Consideration of these difficult issues should not be undertaken prematurely, however. A great deal of preparatory work needs to be done, and the present incremental approach to improving cross-strait relations serves the interests of all parties concerned.

Since the security component of the cross-strait dynamic is critical to U.S. interests, CSIS launched a project to examine the prospects for military confidence-building measures (CBMs) between mainland China and Taiwan. To better understand how officials and experts on both sides of the strait are thinking about the pursuit of military CBMs and creating appropriate conditions for cross-strait discussions of CBMs, a CSIS-led delegation visited Taipei and Beijing from August 24 to 28, 2009. (A delegation list and agenda are provided in appendices A and B).¹ More than a year earlier, in April 2008, a similar U.S. delegation held discussions on both sides

¹ This report does not represent a consensus view of all participants; instead it presents the author’s reflection on what was learned during the trip and her personal views on possibilities for confidence building across the Taiwan Strait.

of the strait on possibilities for implementing CBMs in the health, environmental, and military spheres.²

The analysis that follows reflects the views that were shared during our discussions in Taipei and Beijing. It begins with a recap of recent developments in cross-strait relations in the past year and half. Taiwan and mainland perspectives on military CBMs are then presented in detail. The report addresses the potential for a U.S. role in cross-strait military CBMs, outlines a possible road map for military CBMs, and concludes with specific policy recommendations for each of the three parties.

Background: Recent Developments in Cross-strait Relations

The March 2008 election of Ma Ying-jeou as Taiwan’s president brought an end to a prolonged period of strained relations between mainland China and Taiwan. More than a decade earlier, in 1995, tensions had spiked when Taiwan’s then-President Lee Teng-hui visited his alma mater, Cornell University, provoking fears in Beijing that the United States might abandon its “one China” policy. Within a month, the People’s Liberation Army (PLA) began lobbing missiles into the Taiwan Strait and conducting threatening military exercises. During Taiwan’s presidential elections the following March, the United States responded to even greater Chinese provocations by dispatching two aircraft carriers to the vicinity of Taiwan. The immediate crisis passed, but friction resurfaced in 1999 when President Lee declared that ties between the People’s Republic of China (PRC) and the Republic of China (ROC) should be conducted as “state-to-state” or at least “special state-to-state” relations. Following the election in 2000 of Chen Shui-bian—a member of the pro-independence Democratic Progressive Party (DPP) who repeatedly challenged Beijing’s claim to sovereignty over Taiwan and took many actions that the mainland viewed as promoting de jure independence for the island—cross-strait relations deteriorated further. Chen’s sponsorship during the March 2008 election of a referendum on the issue of Taiwan joining the United Nations under the name “Taiwan” raised tensions to an all-time high at the very end of his tenure.

Upon his election, and consistent with his campaign themes, Ma Ying-jeou immediately began the delicate work of laying the basis for improved relations with the PRC, while reassuring the Taiwan public that he would strive to protect Taiwan’s identity and security. As one of his first acts after being elected, Ma sent Vice President-elect Vincent Siew to meet President Hu Jintao at the April 2008 Boao economic forum in Hainan, China. A month later, in his inaugural speech, Ma expressed his resolve to change the tenor of cross-strait relations, asserting that there would be “no reunification, no independence and no war” (不统, 不独, 不武) during his presidency. He

² Bonnie Glaser and Brad Glosserman, *Promoting Confidence Building in the Taiwan Strait* (Washington, D.C.: CSIS, September 2008).

appealed to Beijing “to seize this historic opportunity to achieve peace and co-prosperity.” Taking a firm, but conciliatory stance, Ma insisted on Taiwan’s desire not only for improved relations, but also dignity. He called for a return to negotiations based on the “1992 Consensus”—which recognizes that there is only one China but leaves vague the definition of that one China.³

Ma subsequently followed up on his pledge to improve cross-strait ties, and in the 18 months since his inauguration, Taiwan’s relations with mainland China have expanded at an unprecedented pace. Increased cross-strait contacts began with the resumption in June of talks between the two “authorized” (but ostensibly nongovernmental) bodies, Taiwan’s Straits Exchange Foundation (SEF) and the mainland’s Association for Relations Across the Strait (ARATS) after a hiatus of a decade. Among other things, this led to the launching on July 4, 2008, of weekend charter flights and the travel of mainland tourists to Taiwan. In conjunction with this move, the daily quota of PRC visitors allowed into Taiwan was increased from 1,000 to 3,000. In December 2008 the “three links”—direct flights, shipping, and postal services—were officially restored. Six months later, the two countries began regular air service of 270 weekly flights between 8 Taiwan and 27 mainland cities.⁴ Tourism from the mainland has been slower than expected, due in part to the devastation of Typhoon Morakot in August 2009 and fears surrounding the H1N1 virus.⁵ Nevertheless, visitor arrivals from the PRC totaled 606,100 in 2009, with travelers each spending nearly \$1,800 during their stay on the island.⁶ Experts predict a travel boom, and the two parties are planning to exchange tourist offices to cater to the anticipated growth.⁷ Increased tourism has been accompanied by cultural exchanges. A “reunion” exhibition of historical treasures from the two nations’ palace museums represents one highly symbolic example.⁸

³ Ma Ying-jeou, Inaugural Address, May 20, 2008, http://www.president.gov.tw/en/prog/news_release/document_content.php?id=1105499687&pre_id=1105499687&g_category_number=145&category_number_2=145.

⁴ Shelley Shan, “Regular cross-strait flights start Aug. 31,” *Taipei Times*, August 11, 2009, <http://www.taipeitimes.com/News/taiwan/archives/2009/08/11/2003450846>.

⁵ “Cross-strait flights get off to weak start,” *The China Post*, September 3, 2009, <http://www.chinapost.com.tw/china/national-news/2009/09/03/223117/Cross-strait-flights.htm>.

⁶ “Mainland Tourists to Taiwan Hit Mark,” *China Daily*, January 2, 2010, http://www.china.org.cn/travel/2010-01/02/content_19169216.htm.

⁷ “China expected to open tourism office soon,” *The China Post*, October 16, 2009, <http://www.chinapost.com.tw/taiwan/china-taiwan-relations/2009/10/16/228841/China-expected.htm>.

⁸ Cindy Sui, “Historic ‘reunion’ of Chinese art,” BBC News, October 7, 2009, <http://news.bbc.co.uk/2/hi/8293674.stm>.

Chiang-Chen Talks

SEF and ARATS restarted their dormant dialogue over cross-strait relations in June 2008. Four rounds of the semi-official talks have produced a series of important agreements.

1st Round, June 2008

Agreements on weekend charter flights and mainland tourist visits to Taiwan.

2nd Round, November 2008

Agreements on direct air transport; direct sea transport; postal cooperation; and food safety.

3rd Round, April 2009

Agreements on expanded direct flights and freight service; financial regulatory cooperation; and crime fighting and legal cooperation.

4th Round, December 2009

Agreements on fishing crew cooperation; agricultural quarantine inspection; and industrial product standards, inspection, and certification.

5th Round, early 2010

Expected to negotiate an Economic Cooperation Framework Agreement (ECFA).

The resumption of talks between SEF and ARATS marked a significant step in the improvement of cross-strait relations. Established in 1990 and 1991 respectively, these two quasi-governmental organizations were intended to provide a semi-official mechanism for Beijing and Taipei to handle cross-strait affairs and discuss economic and other practical issues. After a series of successful contacts in the early 1990s, talks between the two organizations stalled in 1995 following Lee Teng-hui's visit to Cornell University. There was a nascent effort to resume them in 1998, but that was brought to an abrupt end with Lee's pronouncement in 1999 that ties between Beijing and Taipei should be conducted as "special state-to-state" relations.

Referred to by Taipei as the "Chiang-Chen Talks" after the two chief negotiators, SEF chairman Chiang Pin-kun and ARATS chairman Chen Yunlin, the talks have produced agreements on a wide range of functional issues (see box). Preparations are underway for two additional rounds next year. Taiwan has attached priority to the signing of an Economic Cooperation Framework Agreement (ECFA) during the fifth round of talks, slated for early 2010.⁹

Progress has also been achieved in the realm of Taiwan's participation in the international arena. In a departure from its long-standing practice of squeezing Taiwan's "international

space," the PRC responded positively to Ma Ying-jeou's demand for dignity by putting on hold its efforts to woo Taiwan's allies and acquiescing to limited participation by Taiwan in international organizations. This shift in attitude reflects policy changes under PRC president Hu

⁹ Cheng-ching Liu and Y.F. Low, "Taiwan proposes signing ECFA during 5th Chiang-Chen talks," *Taiwan News*, October 17, 2009, http://www.etaiwannews.com/etn/news_content.php?id=1084119&lang=eng_news&cate_img=83.jpg&cate_rss=news_Politics_TAIWAN.

Jintao, who has moved the focus of the mainland's cross-strait policy away from promoting near-term unification and instead centers on preventing independence. The result has been a step in the direction of adopting (at least rhetorically, if not so evident yet in practice) a more tolerant view of Taipei's international activities as long as they do not promote "two Chinas" or "one China, one Taiwan."

Beijing has tacitly accepted Ma's call for a diplomatic truce that enables Taiwan to keep its 23 diplomatic allies and has not challenged Ma's proposed principle of "mutual non-denial," by which each party would agree to cease denying the other's legitimacy and temporarily put aside differences over sovereignty.¹⁰ The result has been a number of positive developments on the diplomatic front. Most notably, the battle of checkbook diplomacy the two sides had long waged for recognition from some of the world's smallest and poorest countries has ended, at least temporarily. Beijing has reportedly ceased efforts to lure Paraguay, Panama, and El Salvador away from Taipei, and the once fierce competition over South Pacific nations has also largely died down.¹¹ In response to this change, Ma has encouraged the ROC's allies to develop economic and cultural relations with the PRC.¹² In another example of the mainland's more relaxed attitude toward Taiwan's allies, Beijing has committed UN peacekeepers to Haiti, despite the island nation's continued recognition of Taiwan.¹³

The PRC has also somewhat relaxed its once firm opposition to Taiwan's participation in international organizations. The groundwork for this change was laid in April 2005, when Lien Chan, then-chairman of the KMT, met with Hu Jintao in Beijing to discuss the future of cross-strait relations. The meeting produced a five-point agreement, which stated, inter alia, that the CCP and KMT would discuss "issues of [Taiwan's] participation in international activities, which concern the Taiwan public, after cross-strait consultations are resumed" and made specific reference to Taiwan's participation in the activities of the World Health Organization (WHO).¹⁴ In January 2009, Beijing took the first step toward addressing the issue by acquiescing to the inclusion of Taiwan in the International Health Regulations of the WHO. The move allowed the WHO to contact Taipei directly rather than go through Beijing and include Taiwan in more

¹⁰ While willing not to contest Ma's proposals in this respect, Beijing has made clear that it in no way accepts Taiwan's (or the ROC's) claim to sovereignty or that it has dropped its position that Taiwan and the mainland both belong to one China, whose sovereignty and territorial integrity are indivisible.

¹¹ "China may stop poaching Taiwan's allies," *The China Post*, March 18, 2009.

¹² Shu-ling Ko, "Ma says allies may pursue economic ties with China," *Taipei Times*, September 10, 2009, <http://www.taipeitimes.com/News/taiwan/archives/2009/09/10/2003453184>.

¹³ In 1999, China vetoed a UN Security Council resolution that would have kept UN peacekeepers in Macedonia for another six months. One month earlier, Beijing had severed ties with Macedonia after it established diplomatic relations with Taiwan.

¹⁴ Zhigang Xing, "CPC, KMT Leaders Vow to End Hostility across the straits," *The China Daily*, April 30, 2005, http://www.chinadaily.com.cn/english/doc/2005-04/30/content_438703.htm; and "Text of KMT-Beijing Agreement," BBC News, <http://news.bbc.co.uk/2/hi/asia-pacific/4498791.stm>.

meetings than in the past, both of which were aimed at demonstrating the mainland's goodwill to the people of Taiwan.

In May 2009, after close consultation and coordination between the two sides, Beijing took another step by giving the nod to Taiwan's participation as an observer at the annual meeting of the World Health Assembly, the executive arm of the WHO, under the name of Chinese Taipei, despite persisting concerns that the position might strengthen Taipei's claim to international legal sovereignty.¹⁵ The decision was motivated not only by the hope of winning Taiwanese hearts and minds (and following through on the 2005 Lien-Hu agreement), but also aimed at bolstering Ma's low approval ratings at home, which in the eight months after his election plummeted from a high of 60.5 percent to just under 30 percent on the electorate's concerns about the financial crisis and the general state of the economy.¹⁶

As Beijing has relaxed its resistance to Taiwan playing a role internationally, Taipei has in turn pulled back from its erstwhile insistence on seeking recognition for its international legal sovereignty. For example, Taiwan ended its annual bid for UN membership in September 2009, opting instead to seek to participate in specialized UN agencies.¹⁷ The next two UN-affiliated agencies in which Taipei has decided to seek meaningful participation are the International Civil Aviation Organization (ICAO) and the UN Framework Convention on Climate Change (UNFCCC).¹⁸ Although Beijing has likely been consulted by Taipei on this issue, the PRC has so far opposed efforts by Taiwan's diplomatic allies to help Taiwan achieve its goal.¹⁹

Of course, unresolved issues abound. In particular, Ma has made clear that, following the signing of the ECFA with the mainland, Taiwan hopes to negotiate free trade agreements (FTAs) with other nations. Although this would be consistent with Taiwan's status as a member of the World Trade Organization (WTO), it remains to be seen whether the PRC will acquiesce to such a move or will threaten repercussions against Taiwan's trading partners that sign an FTA with Taiwan.

¹⁵ Yu Xie, "Taiwan finally gets close to the action," *China Daily*, May 19, 2009, http://www.chinadaily.com.cn/china/2009-05/19/content_7788983.htm.

¹⁶ Global Views Survey Research Center (GVSRC), "President Ma Ying-jeou's Approval Rating After Eight Months In Office," January 17, 2009, http://www.gvm.com.tw/gvsrc/200901_GVSRC_others_E.pdf; GVSRC, "President-elect Ma Ying-jeou's Approval Rating within a Month after the Presidential Election," May 6, 2008, http://www.gvm.com.tw/gvsrc/president-elect_english.pdf.

¹⁷ Taiwan had already focused on participation in UN specialized agencies in September 2008, but Ma's administration concomitantly mounted at least a nominal effort to gain membership in the United Nations, itself, following past precedent. In 2009, it suspended that effort, while proclaiming to domestic constituencies that it had not abandoned the goal for all time.

¹⁸ "Taiwan drops UN bid," *Straits Times*, September 4, 2009, http://www.straitstimes.com/Breaking%2BNews/Asia/Story/STIStory_425432.html.

¹⁹ Chinese permanent representative to the United Nations Zhang Yesui objected on November 6 to the effort in September of 15 countries having diplomatic ties with Taiwan to express their support for Taiwan to join the ICAO and UNFCCC in a letter to UN secretary general Ban Ki-moon. *Chung-yang Jih-pai Wang-lu-pao* (Central Daily News online), November 26, 2009, http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=100982023.

Core Challenges in Cross-strait Relations

Although rapid progress has been made in cross-strait relations, substantial challenges remain. President Ma has occasionally provided telling reminders of the wide gap that separates the two sides on such key issues as Taiwan's political status. Among other comments, he has stated that it is unlikely that reunification will take place in his lifetime;²⁰ that the ROC has been an independent sovereign state since 1912;²¹ and that the one China that exists under the 1992 consensus is the ROC.²² These positions may be necessary for Ma since they reflect the opinions of the vast majority of Taiwan's people, but they have irked Beijing nonetheless.

Beijing has also been disappointed by Ma's reluctance to respond directly to its high-profile entreaties for deeper dialogue. One prominent example is Hu Jintao's December 2008 speech in which he proposed a comprehensive approach to cross-strait relations based on six points (see box). Apart from a brief comment issued by his office shortly after Hu's speech, and Ma's own brief reference to the proposal during the question-and-answer session following his April 2009 speech via videoconference to a Washington, D.C.,

Hu Jintao's Six Propositions for Peaceful Development Across the Strait

1. End hostility and reach peaceful agreements under the "one China" principle.
2. Talk about a comprehensive economic cooperation agreement to establish a collaboration mechanism with special cross-straits characteristics, which would be complementary and mutually beneficial.
3. Increase communication and exchange in all areas, and...actively respond to any constructive proposals from [Taiwan] that would boost the peaceful development of cross-straits relations.
4. Continue to take measures to push forward cross-straits cultural and educational exchanges, including conferring with Taiwan on a cultural and educational exchange protocol.
5. Discuss... "proper and reasonable arrangements" for Taiwan's participation in international organizations, as long as such activity does not create a scenario of "two Chinas" or "one China and one Taiwan."
6. Step up contacts and exchanges on military issues "at an appropriate time" and talk about a military security mechanism of mutual trust, in a bid to stabilize cross-straits relations and ease concerns about military security.

"Mainland Marks 30th Anniversary of Major Taiwan Policy Change," Xinhua, December 31, 2008

²⁰ "Unification with China unlikely 'in our lifetimes': president-elect," *The China Post*, May 16, 2008, <http://www.chinapost.com.tw/taiwan/national/national%20news/2008/05/16/156644/Unification-with.htm>; Shelley Rigger, "Taiwan's Presidential and Legislative Elections," *Orbis* 52, no. 4 (2008): 692.

²¹ James Wang, "Ma's deceit over nature of Republic of China," *Taipei Times*, July 2, 2009, <http://www.taipeitimes.com/News/editorials/archives/2009/07/02/2003447614>.

²² Ko Shu-ling, "'State to state' theory is dead, Ma says," *Taipei Times*, September 4, 2008, <http://www.taipeitimes.com/News/front/archives/2008/09/04/2003422244>.

audience at CSIS, Ma has remained silent about the speech. In his comments at CSIS, Ma described Hu's overture as "a positive one" and embraced his call for strengthening economic and cultural ties, but demurred from speculating about the future of "difficult and sensitive" political and military ties.²³

The thorniest issue in cross-strait relations is the issue of sovereignty. Progress made so far—and going forward—depends on setting aside the dispute on that core issue while making headway on functional matters. Both sides are deliberately pursuing an approach to bettering the relationship that shelve their differences over the definition of "one China"—and, thus, who has what sovereignty—and makes progress in pragmatic ways. Taiwan's approach was articulated by Vincent Siew in his April 2008 meeting with Hu Jintao at Boao in which he put forward a 16-character phrase: "squarely face reality, open up to the future, shelve disputes and pursue a win-win situation" [正视现实, 开创未来, 搁置争议, 追求双].²⁴ When Hu Jintao met with honorary KMT chairman Lien Chan later that month, he responded with his own 16-character expression: "establish mutual trust, shelve disputes, seek common ground while reserving differences, and together create a win-win situation" [建立互信, 搁置争议, 求同存异, 共创双赢].²⁵ The significant overlap in the approaches of the two sides reflects their shared understanding that a good deal of trust building will be necessary before the dispute over sovereignty can be tackled. Taipei and Beijing have also agreed to begin by addressing easy-to-resolve issues in the relationship before moving on to harder ones, and start with economic issues, then deal with political matters later on.

Domestic politics have also hindered progress. Ma's response to the mainland has, in large part, been conditioned by troubles at home. Polls show that over 33 percent of the people of Taiwan are concerned that the government is improving cross-strait relations too quickly, and there has been fierce DPP criticism of the ECFA, among other policies.²⁶ The DPP's resistance to the ECFA is representative of the party's general attitude toward the KMT's approach to Beijing. In essence, DPP leaders view Ma's policies as placating Beijing at the cost of Taiwan's sovereignty and the general well-being of its people. For example, the government's lack of transparency in negotiations over Taiwan's bid for WHA observer status led to allegations that Ma sold out

²³ "U.S.-Taiwan Relations in a New Era: Looking Forward 30 Years after the Taiwan Relations Act," conference video, CSIS, Washington, D.C., April 22, 2009, <http://csis.org/event/us-taiwan-relations-new-eralooking-forward-30-years-after-taiwan-relations-act>.

²⁴ Ang Leilei and Zhou Zhengping, "Hu Jintao meets with Vincent Siew and his entourage," Xinhua, April 12, 2008, Open Source Center (OSC), CPP20080412163003.

²⁵ "Hu Jintao calls for mutual trust, consensus with Taiwan," Taiwan Affairs Office of the State Council, April 29, 2008, http://www.gwytb.gov.cn:8088/detail.asp?table=Headlines&title=Search&m_id=843.

²⁶ Mainland Affairs Council, "Summarized Results of the Public Opinion Survey on Current Cross-strait Relations," Mainland Affairs Council, April 2009. In a December 9 poll, 48.0 percent supported the signing of an ECFA, 37.7 percent opposed, and 14.3 percent had no opinion. *China Times*, December 11, 2009, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=7336>.

Taiwan's sovereignty in a backroom deal with Beijing.²⁷ Charges that the KMT government is "pro-China" resonate with DPP supporters and some industry associations representing groups that may be harmed by the liberalization of trade with the mainland. That said, over 53 percent of the people of Taiwan support Ma's overall approach to easing tensions and increasing exchanges with the mainland.²⁸ Nevertheless, the lack of domestic consensus over how Taipei should manage cross-strait relations has imposed a brake on Ma's efforts to improve ties. Fallout from the mismanagement of relief efforts following Typhoon Morakot also undermined Ma's approval ratings and placed further constraints on his room for maneuver.²⁹

The effect of domestic politics on the Ma administration has been especially apparent in the domestic dialogue over how to handle trade with the mainland. Leading up to the third round of the Chiang-Chen Talks, Ma had hoped to establish a de facto FTA with Beijing modeled after the mainland's Comprehensive Economic Partnership Agreement with Hong Kong.³⁰ However, the proposal met stiff resistance from the DPP on the grounds that it would both damage Taiwan's economy and make it overly dependent on Beijing.³¹ Ma was subsequently forced to abandon the plan. As a compromise, Ma proposed the ECFA, which will include several "early harvest" items and establish a framework for future trade agreements.

Despite the political realities confronting Ma, Beijing has continued to nudge Taiwan toward deeper engagement on political and military issues. Beijing's impatience stems in part from some mainland actors' fears that progress will stall if the DPP returns to power. Ma's recent unpopularity may have increased this sense of urgency, and there seems to be a strong desire on the part of some in Beijing to push for irreversible progress before the opportunity is lost. This has created a dilemma for the mainland. On one hand, the PRC wants to respond positively to Ma's requests so that his position will be strengthened and he will serve a second term. Indeed, securing Ma's reelection is probably Beijing's highest priority in cross-strait relations at this point. On the other hand, mainland leaders do not want to appear to be simply giving Ma everything he wants. In fact, domestic constituencies on the mainland, particularly in the military, appear increasingly skeptical of Hu's relatively permissive approach to Taiwan. Some critics fear that allowing Taipei more international space will foster a de facto separation of the two states that could complicate long-term reunification efforts. Furthermore, Ma's call for the PRC to

²⁷ Jenny W. Hsu, "WHO was 'not involved' in bid," *Taipei Times*, May 2, 2009, <http://www.taipeitimes.com/News/taiwan/archives/2009/05/02/2003442557>.

²⁸ Global Views Survey Research Center, "Survey on President Ma's Approval Rating on First Anniversary of Inauguration and Cross-strait Issues," May 25, 2009, http://www.gvm.com.tw/gvsr/200905_GVSRC_others_E.pdf.

²⁹ Jonathan Adams, "Taiwan president under fire over typhoon response," *Christian Science Monitor*, August 18, 2009, <http://www.csmonitor.com/2009/0818/p06s01-woap.html>.

³⁰ "CECA won't be signed at meet: SEF head," *The China Post*, February 19, 2009, <http://www.chinapost.com.tw/taiwan/china-taiwan-relations/2009/02/19/196759/CECA-wont.htm>.

³¹ Tsai Ing-Wen, "CECA Comes with Big Hidden Costs," *Taipei Times*, March 1, 2009, <http://www.taipeitimes.com/News/editorials/archives/2009/03/01/2003437304>.

**ROC National Defense Report 2009:
Military CBMs**

"...as conditions mature in domestic and overseas environments, and in cross-strait situations, the MND will adopt "steady, pragmatic, and incremental" approaches in the short, mid- and long-term to gradually establish cross-strait military CBMs for preventing conflicts in the Taiwan Strait and lowering the probability of accidental provocation of war."

"At the beginning, mutual understanding, exchange of good will, expression of stance and views will be enhanced through various exchanges. As mutual trust increases and based on "mutually beneficial cooperation," dialogues and negotiation on issues of mutual concern could be conducted to gradually establish an institutionalized mechanism, thereby achieving the objectives of ceasing hostilities, ensuring peace and sustaining the nation's survival and development."

unilaterally remove the approximately 1,500 missiles deployed against Taiwan³² has been met with demands for reciprocity by mainland critics who believe that Beijing is giving Taiwan more than it is getting in return.

A Question of Trust?

One of the key problems in cross-strait relations is a deficit of trust. Without credible assurances of good faith, both Beijing and Taipei remain skeptical of the other's motives. Since Ma Ying-jeou assumed the presidency, however, even though deeply-held suspicions persist, some political trust has been accumulated. The handling of Taiwan's ascension to observership at the WHA, agreements hammered out during the Chiang-Chen talks, and other developments have laid the groundwork for closer cooperation and increased perceptions that both parties are working toward mutually beneficial outcomes.

Nevertheless, substantial doubts remain. How can the two parties work to build a more trusting relationship?

Confidence-building measures represent one possible path for alleviating the mistrust that exists

between Beijing and Taipei. CBMs include both formal and informal measures that address, prevent, or resolve uncertainties between parties. Broadly defined, CBMs comprise a wide range of activities from people-to-people and cultural exchanges to information sharing about public health measures and cooperation to combat such threats as piracy and oil spills. In a narrower sense, CBMs refer to efforts to improve military-to-military relations in ways that reduce fears of attack and the potential for military miscalculation. The latter type of CBMs—which will be referred to henceforth as military CBMs—can be unilateral, bilateral, or multilateral, and be negotiated between states or by governments.³³

Examples include crisis hotlines—direct telephone connections between heads of state or military leaders—and other activities intended to increase transparency, such as publishing defense white

³² This figure includes both ballistic and ground-based cruise missiles.

³³ See, for example, Michael Krepon, *A Handbook of Confidence-Building Measures for Regional Security* (Washington, D.C.: Henry L. Stimson Center, 1998).

papers or providing pre-notification of military exercises. Perhaps the most well known of modern military CBMs was the “Hotline Agreement,” concluded after the 1962 Cuban Missile Crisis, which established a direct phone line between John F. Kennedy and Nikita Khrushchev as an aid to preventing future misunderstanding between the United States and the Soviet Union.

The mainland and Taiwan have been implementing CBMs, in both the broad and narrow senses, since at least the early 1990s. Military CBMs have so far only been undertaken unilaterally, however. The process began in earnest in 1991, when President Lee Teng-hui declared that Taiwan would no longer seek to reconquer the mainland and established the National Unification Council to explore the potential for equitable reunification. Lee also carried out a number of unilateral military CBMs, including replacing Taiwan marines on Tungsha and Nansha Islands in the South China Sea with a coast guard deployment to reduce the possibility of a military confrontation with the PRC over these two disputed island groups.³⁴ In one example of a nonmilitary CBM, Taipei’s China Rescue Association and the mainland’s China Marine Rescue Center agreed to set up a hotline to facilitate marine rescue work in the strait in 1997.³⁵

Efforts to engage Beijing on the issue of military CBMs continued under Chen Shui-bian, who called for them in his election victory speech in 2000 and included CBM proposals in Taiwan’s 2002 and 2004 defense white papers.³⁶ The 2004 National Defense Report outlined a three-stage cross-strait military confidence-building process that would begin with Track II exchanges, evolve to cooperation between the two sides’ militaries on humanitarian search and rescue operations in the Taiwan Strait and South China Sea, combating maritime criminal activities, signing an agreement on a common code of conduct in the strait, and creating a no-fly zone in the area near the centerline of the strait, and culminate in the long term in ending the state of hostility and signing a peace accord.³⁷

That same year, Taiwan declared that it would not develop nuclear, biological and chemical weapons, proposed the establishment of a military buffer zone in the strait to avoid accidents, and suggested that a military security consultation mechanism be set up between the mainland and Taiwan that could gradually develop into a code of conduct similar to the 1972 Incidents at Sea Agreement between the United States and the Soviet Union.³⁸

³⁴ C. Lin, “Confidence-Building Measures in the Taiwan Strait,” *The Security Environment in the Asia-Pacific*, ed. Hung-mao Tien and Tun-jen Cheng (Armonk, N.Y.: M.E. Sharpe, 2000), p. 93.

³⁵ “Hotline to Facilitate Rescue Work in Taiwan Strait,” Central News Agency (FBIS-CHI-97-329), November 25, 1997, cited in Kenneth W. Allen, “Military Confidence-Building Measures across the Taiwan Strait,” *Investigating Confidence-Building Measures in the Asia-Pacific Region*, ed. Ranjeet K. Singh (Washington, D.C., Henry L. Stimson Center, May 1999), p. 126.

³⁶ “Taiwan victory speech,” BBC, March 18, 2000, http://news.bbc.co.uk/2/hi/not_in_website/syndication/monitoring/media_reports/682379.stm.

³⁷ ROC Ministry of National Defense, *2004 National Defense Report* (Taipei: Ministry of National Defense, 2004).

³⁸ Decisions on these CBMs were made at a high-level national security meeting on November 10, 2004. Cited by Arthur Ding, “Conflict Prevention and Management in Northeast Asia: A Perspective from

More recently, Ma's inaugural statement regarding the "three no's" can be seen as a declaratory CBM intended to reduce tensions and build confidence. Another example of a declaratory military CBM is Taiwan's efforts to publicly clarify its military rules of engagement (ROE) as a means of reducing the potential for conflict with Beijing. In its first Quadrennial Defense Review, the Ministry of Defense (MND) declared that the ROC Armed Forces needed "to possess capabilities of surviving the enemy's first strike" because Taiwan would not initiate an attack.³⁹ Taiwan has also produced a biannual defense white paper since 1992 in an effort to increase transparency, and in 1998 the PRC began the same practice. Perhaps due to its belief that its superior military capabilities serve as a deterrent to Taiwan independence, Beijing has adopted a less proactive approach to declaratory military CBMs.

Military CBMs in the Cross-strait Context: Taiwan and Mainland Views

Official Statements on CBMs

In various ways, both Beijing and Taipei have endorsed the adoption of cross-strait military CBMs. The mainland first raised the topic in May 2004 in an official statement released by the State Council's Taiwan Affairs Office. The statement proposed seven positive paths that could follow a decision by Taiwan to abandon its Taiwan independence stance and cease its separatist activities. One of the seven proposals was the "formal ending of the state of hostility through equal-footed consultations, establishing a mechanism of mutual trust in the military field, and jointly building a framework for peaceful, stable and growing cross-strait relations."⁴⁰ The following year, as cited above, Hu Jintao and Lien Chan agreed in a joint statement that the two sides should set up a military mutual-trust mechanism as part of a framework for the peaceful and steady development of cross-strait relations. Two years later, in his political report to the 17th Party Congress, Hu offered to discuss a formal end to the state of hostility, reach a peace agreement, and construct a framework for peaceful development of cross-strait relations,⁴¹ though he did not mention creating a military confidence mechanism. Then, in December 2008, at a forum commemorating the 30th anniversary of the Message to Compatriots in Taiwan, Hu explicitly endorsed cross-strait military CBMs. He stated: "To help stabilize the situation in the Taiwan Strait and alleviate concerns about military security, the two sides can have contacts and

Taipei," *Conflict Prevention and Conflict Management in Northeast Asia*, ed. Niklas Swanstrom (Washington, D.C.: Central Asia-Caucasus Institute and Silk Road Studies Program, 2005).

³⁹ ROC Ministry of National Defense, *ROC Quadrennial Defense Review 2009* (Taipei: Ministry of National Defense, 2009), <http://www.mnd.gov.tw/QDR> [in English], pp. 62 and 71.

⁴⁰ "Taiwan Affairs Office of CPC Central Committee, Taiwan Affairs Office of State Council Are Authorized to Issue Statement on Current Cross-strait Relations," Xinhua, May 16, 2004.

⁴¹ Hu Jintao's report to the 17th Party Congress, October 24, 2007, http://news.xinhuanet.com/english/2007-10/24/content_6938749.htm.

exchanges on military issues at an appropriate time and discuss the issue of establishing a military security mechanism based on mutual trust.”⁴²

Ma Ying-jeou has a long-standing position of support for cross-strait military CBMs. As head of the KMT when it was the opposition party, Ma proposed that Taiwan sign a peace accord that covers the establishment of a military confidence-building mechanism to avoid a cross-strait military crisis.⁴³ In September 2007, Ma’s campaign published a white paper on defense policy entitled “A New Military for a Secure and Peaceful Taiwan” that stated his intention, if elected, to initiate military-to-military exchanges and negotiate to establish a CBM mechanism.⁴⁴ However, both as a presidential candidate and later as president, Ma’s support for establishing a military confidence-building mechanism has been linked to the signing of a cross-strait peace accord, which he says must be preceded by the removal of the missiles that the mainland has deployed opposite Taiwan.⁴⁵

Taiwan Perspectives on Military CBMs

Hu Jintao’s December 31, 2008, proposal to have contacts and exchanges on military issues and discuss the establishment of a military security mechanism based on mutual trust stimulated considerable interest in Taiwan. Although engaging in such discussions was judged to be premature, the government in Taipei nevertheless shared the mainland’s view that over time the accumulation of political trust between the two sides should create conditions for holding talks on military confidence building. After all, it was generally agreed that military CBMs would play an essential role in the eventual realization of the long-term objectives of ending cross-strait hostility and signing a peace accord, which both President Ma and President Hu have endorsed. However, in keeping with the approach agreed upon shortly after Ma Ying-jeou’s election in spring 2008 to tackle economic issues first, then political and security issues, and address easy problems first, then harder ones, military CBMs would not be accorded priority and would not be rushed.⁴⁶ Achieving more progress in promoting economic cooperation that would bring concrete economic benefits to the Taiwan people remains at the top of the agenda.

⁴² “Mainland Marks 30th Anniversary of Major Taiwan Policy Change,” Xinhua, December 31, 2008.

⁴³ Interview with Voice of America, cited in Central News Agency, December 28, 2005.

⁴⁴ Ma Ying-jeou’s Office, “Defense White Paper of the KMT: A New Military for a Secure and Peaceful Taiwan,” September 2, 2007, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=111&anum=3284>.

⁴⁵ For example, President Ma said “. . . if we are to negotiate a peace agreement with the mainland including military confidence-building measures, they should remove or dismantle the more than 1,000 missiles targeting Taiwan,” Agence France-Presse, October 20, 2009. Some senior officials in Taiwan suggest, however, that military CBMs could be pursued prior to the signing of a peace accord.

⁴⁶ Mainland Affairs Council chairwoman Lai Hsin-yuan stated in a speech at the Brookings Institution that “Although studies on the issues of cross-strait military confidence building measures and cross-strait peace agreement are being conducted, the conditions are not yet ripe for addressing these highly political issues.” July 14, 2009, http://www.brookings.edu/~media/Files/events/2009/0714_china/20090714_china_keynote.pdf.

While at the policy level Taiwan's attention is trained primarily on economic matters in cross-strait relations, research and discussion on military CBMs among experts have proceeded with support from senior officials. Taiwan's Ministry of National Defense (MND) was tasked to resume research on military CBMs after a hiatus of several years. Under the auspices of MND's Strategic Planning Department, studies have been conducted to construct a theoretical framework and a roadmap for CBMs, taking into account domestic public opinion, the views of Taiwan's key allies in the international community, and the prevailing cross-strait relationship.⁴⁷ The KMT launched a study of CBMs, which produced preliminary findings in October 2009.⁴⁸ Scholars from think tanks and universities in Taiwan are also conducting research and engaging in informal discussions with their counterparts on the Chinese mainland.

Our delegation's discussions with experts, officials, and military officers in Taiwan revealed substantial agreement on a number of points related to cross-strait military CBMs:

1. *Prior to engaging in authorized discussions or negotiations with the mainland on military CBMs, a domestic consensus must be achieved in Taiwan.* There is appreciation in the Taiwan government that the public is deeply divided on many aspects of policy toward mainland China. Officials are convinced that sovereignty issues would inevitably arise in any CBM discussions and worry that if the government proceeds too quickly to discuss security matters with Beijing, the domestic debate over independence versus reunification will intensify, which could slow or even set back progress already achieved in cross-strait ties and weaken support for President Ma's policies. They also fear that the DPP would seize upon the opportunity to further accuse Ma of compromising Taiwan's sovereignty and betraying the country. Drawing on its experience with the ECFA, the government is keenly aware that the public needs to be educated and prepared before negotiations with the mainland move to the next level.
2. *Negotiations on military CBMs should be preceded by a drawdown of the PRC's military deployments against Taiwan.* President Ma has repeatedly stated that prior to entering into negotiations with the mainland on a peace accord, the mainland must remove the more than 1,500 missiles that have been deployed along the southeastern coast opposite Taiwan. He has suggested that a military confidence-building mechanism be included as a component of a peace accord. Senior Taiwan military officers stress that the mainland should take steps to reduce the military threat to Taiwan. Some call for Beijing to renounce the use of force against Taiwan as a precondition for discussing CBMs.

⁴⁷ Meeting with MND officials, August 26, 2009; ROC Ministry of National Defense, *2009 National Defense Report* (Taipei: Ministry of National Defense, 2009), chapter 8, http://163.29.3.66/english/index_01.html.

⁴⁸ "How to Develop Cross-strait Military Confidence-Building Measures?" KMT Policy Committee Biweekly, no. 1561, October 14, 2009 [in Chinese], <http://www.chinareviewnews.com/doc/1011/0/5/8/101105871.html?coluid=7&kindid=0&docid=101105871&mdate=1016121223>.

3. *Unilateral gestures of good will by the mainland can help create conditions for beginning informal discussions of military CBMs.* In addition to unilateral steps to reduce the military threat to Taiwan, many in Taiwan maintain that greater political trust must precede military CBMs and call for Beijing to take more steps toward this goal. For example, the KMT paper on CBMs called for the mainland to refrain from obstructing military personnel from Taiwan from participating in international military and security forums or conferences organized by non-governmental organizations.⁴⁹ Taiwan military officers hope the mainland will follow Taiwan's practice of publishing its military exercise schedule annually and publicly announcing its ROE.
4. *One of Taiwan's principal objectives in negotiating a cross-strait military CBM agreement is to reduce the risk of an accident that could escalate to unintended conflict.* Although Taiwan military officers maintain that as a consequence of their restrictive ROE, including willingness to absorb the first attack, the risk of accident is not high, there is concern among civilian officials about the danger of a collision at sea or in the air that could spiral out of control or at a minimum result in a high level of political tension. This concern is reflected in the 2009 National Defense Report, which states: "The probability of military friction is rather high. [Should] there be a lack of mutual trust on both sides, any mishaps or accidents will be misinterpreted as deliberate provocation, and further result in full-scale military conflict." Against this background, the Ministry of National Defense calls for cross-strait military CBMs that will reduce the chance of conflict in the Taiwan Strait and lower the probability of accidental provocation of war.⁵⁰ There is also interest in CBMs that would promote PLA transparency and create a more predictable security environment such as advance notification of the dates, locations, and size of PLA military exercises in the Nanjing and Guangzhou military regions and adjacent maritime areas.
5. *Military CBMs should be aimed at securing a stable status quo between the two sides of the strait and should be negotiated and implemented based on the 1992 consensus.* Many in Taiwan maintain that CBMs are only of interest to the mainland if they promote reunification. Those who hold this view worry that Beijing will insist that Taiwan accept the "one China principle" as a basis for discussing CBMs. If CBMs cannot be discussed without resolving differences over sovereignty, then the majority in Taiwan is pessimistic that progress can be made.
6. *CBMs should not impose constraints on Taiwan's force structure.* Taiwan's MND is wary of CBMs that would involve adjusting Taiwan's force deployments or modifying Taiwan's force structure. Military officers emphasize that the mainland's military capabilities far

⁴⁹ "How to Develop Cross-strait Military Confidence-Building Measures?" KMT Policy Committee.

⁵⁰ ROC Ministry of National Defense, *2009 National Defense Report* (Taipei: Ministry of National Defense, 2009), chapter 8, http://163.29.3.66/english/index_01.html.

exceed those of Taiwan and insist that the burden is on the PRC to reduce the threat to Taiwan.

7. *There should be no linkage between cross-strait military CBMs and Taiwan's arms purchases from the United States.* Even if Beijing does not demand an end to U.S. arms sales to Taiwan as a precondition for holding talks on CBMs, many Taiwan officials express concern that once progress is made in cross-strait confidence building, the PRC will persuasively argue that since military tensions are easing there is no need for the United States to sell arms to Taiwan. Some in Taiwan also voice concern that domestic support for maintaining defense spending at 3 percent of GDP will be difficult to sustain if there is a perception that military tensions across the strait are diminishing.
8. *Mainland China should not press Taiwan to hold discussions on military CBMs until Taiwan is ready.* Taipei perceives that since spring 2009, Beijing has been urging Taiwan to begin informal talks on political and security issues, including military CBMs. Senior Taiwan officials attribute the mainland's growing urgency to make greater progress in cross-strait relations to Beijing's sense of its own rising power and resulting confidence, especially vis-à-vis the United States. There is also a perception in Taiwan that Beijing believes it has already responded positively to many of Ma Ying-jeou's demands, including satisfying Taiwan's need for dignity by allowing Taiwan to become an observer at the World Health Assembly. According to this view, the mainland now expects Taiwan to begin to take steps to address Beijing's concerns, including holding informal discussions on more sensitive issues.⁵¹
9. *As part of the preparations for opening talks with Beijing on CBMs, visible signs of support from the United States are necessary to reduce Taiwan's sense of vulnerability and counter the impression domestically that President Ma is tilting toward mainland China.* Although U.S.-Taiwan ties remain robust, the authorities on Taiwan are concerned that insufficient public evidence of this fact has fueled domestic criticism of Ma's policy toward the mainland. To rectify this, senior Taiwan officials call for Washington to convey clearer signs of U.S. backing "through actions, not just words." This could be achieved, they suggest, through a combination of political, economic, and military steps.

PRC Perspectives on Military CBMs

As noted above, there is disappointment on the mainland that Taiwan's response to Hu Jintao's December 31, 2008, proposal has not been more positive and proactive. Mainland officials and scholars are eager to begin informal discussions between the two sides of the strait on how to set up a military and security confidence-building mechanism. Officials insist, however, that they are patient and are willing to proceed at whatever pace Taipei is comfortable with. A senior official responsible for policy toward Taiwan maintained that "Even if informal discussions [on military

⁵¹ Some Taiwan officials interpret this pressure as an indication that mainland officials with responsibility for Taiwan policy are under pressure to deliver a concrete gesture of movement toward unification.

CBMs] begin now, that won't change the general trend of putting economic issues before political, and easy issues before more difficult ones.”

An official PRC policy on cross-strait military CBMs has yet to emerge. Indeed key terms such as “mechanism of mutual trust in the military and security fields,” “end of state of hostilities,” and “peace accord” remain undefined, which preserves flexibility for future negotiations. There are many different points of view being expressed by mainland scholars regarding the preconditions for CBMs, the specific content, and the relationship of military CBMs to ending the state of hostility between the two sides and signing a peace accord. Nevertheless, there are also important points of consensus. In our conversations, the following key points were expressed:

1. *The cross-strait mechanism of mutual trust in the military and security fields proposed by Hu Jintao is unlike CBMs that have been negotiated between states; it is a special arrangement based on unique circumstances in relations between Taiwan and the mainland.* This position reflects Beijing's concern that military CBMs between the two sides of the strait not be used to legitimize the existence of Taiwan as a separate sovereign state. Nevertheless, the mainland recognizes that there are useful lessons to be gleaned from the practice of CBMs internationally and from the PRC's own experiences in implementing CBMs with its neighbors.⁵²
2. *The primary purpose of cross-strait military CBMs is to build mutual trust and only secondarily to prevent accidental conflict.* Early exchanges should seek to build camaraderie and reduce hostility. One prominent PLA officer proposed interactions such as military song contests, sports competitions, calligraphy demonstrations, and discussions of shared military culture and heritage such as Sun Tzu's *Art of War* and experiences shared fighting the Japanese in the 1930s and 1940s.
3. *There is no consensus on whether Taiwan must meet specific preconditions prior to launching CBM negotiations.* Some PRC experts maintain that Taiwan's acceptance of the “one China principle” (rather than only the “1992 Consensus”) should be a precondition for beginning negotiations on military CBMs. Other experts say that CBM talks can proceed on the basis of the “1992 Consensus,” which recognizes that there is only one China but leaves vague the definition of that one China.
4. *Discussions should begin in a Track 2 format with institutions and scholars authorized by the governments of both sides participating.* Mainland scholars agree that it is premature to launch official negotiations on military CBMs, but think the time is ripe for an informal discussion to probe both sides' thinking and identify areas of common ground. Some argue

⁵² See, for example, Luo Yuan, “Chance to Establish Cross-strait Military Security Mutual Confidence Building System Should Not Be Missed,” *Guoji Xianqu Daobao* online, January 5, 2009, OSC, CPP20090109671001.

that there are risks in conducting haphazard discussions through many channels⁵³ and instead favor a dedicated team of experts from Taiwan and the mainland that are authorized by their respective governments to scope out ways to proceed to establish a military and security confidence-building mechanism.

5. *Efforts should be made to take full advantage of the current “strategic opportunity” period in cross-strait relations, including progress on military CBMs.* There is a palpable sense of urgency among many mainland researchers to move forward with informal talks on military CBMs as well as political issues. They worry about Ma Ying-jeou’s persistent low rating in public opinion polls and the possibility that the DPP, which continues to advocate independence and would not respect the current agreement with the KMT to set aside the dispute over sovereignty, could return to power in 2012 or 2016. There is also a widely held belief that if discussion of political and security issues is postponed too long, obstacles to further cooperation in the economic sphere may emerge.
6. *Military CBMs should not be aimed at preserving the cross-strait status quo indefinitely and should not promote the “peaceful separation” of the two sides of the strait.* Some experts worry that Ma Ying-jeou will seek to use military CBMs to strengthen Taiwan’s de facto independence and therefore emphasize that military confidence building should explicitly serve the goal of reunification. However, other experts emphasize that military CBMs should be pursued as part of the framework of peaceful development that Hu Jintao has set forth as prevailing under the special circumstances prior to national reunification, and should not touch on the subject of reunification.
7. *Adjustments in military deployments should be reciprocal and should be a subject for bilateral discussion, not a precondition.* Without political assurances from Taiwan that it will eschew de jure independence, mainland officials and experts say they cannot take steps to reduce their military buildup. One senior official stated that since the military deployments on the mainland are a result of a lack of mutual trust, building mutual trust is necessary before making adjustments in those deployments. Some assert that a unilateral drawdown of missiles would have the appearance of acting under pressure from Ma Ying-jeou and making unwarranted concessions that could engender domestic criticism of the PRC leadership.
8. *A pledge by the mainland to renounce the use of force against Taiwan cannot be a precondition for cross-strait military CBMs.* Some experts say that the mainland can only agree to relinquish the right to use force after mutual agreement ending the state of hostility between the two sides. Others say that a promise not to use force must be the outcome of unification. All agree that CBMs can play an important role in paving the way for an eventual

⁵³ There are numerous academic and other “unofficial” contacts across the strait, including some that discuss political issues and security issues such as CBMs. Some of these contacts have involved retired officers. In some cases, but not all, Taiwan and mainland participants have been close to their respective governments.

agreement to not use force by creating mutual trust and promoting cooperation in functional areas such as nontraditional security issues.

U.S. Role in Cross-strait Military CBMs

For the past two decades and across three U.S. administrations, American officials have underscored the need for military CBMs between Taiwan and mainland China that would reduce the risk of unintended conflict. In the aftermath of the PRC's missile firings in the Taiwan Strait in 1996, then-Deputy Assistant Secretary of Defense Kurt Campbell testified before Congress that the greatest danger to peace in the strait emanated from "the potential for an accident or miscalculation."⁵⁴ A few years later, Campbell stated that "a cross-strait dialogue that contains confidence building measures is a critical ingredient to long-term stability across the strait."⁵⁵ Under the George W. Bush administration, Assistant Secretary of State for East Asian and Pacific Affairs James Kelly also called for cross-strait CBMs. In testimony to Congress, he stated "It is also time that the two sides begin exploring confidence building measures that reduce the chance for military miscalculation and accidents, and improve the quality of communications in the event of a crisis."⁵⁶ After President Obama assumed office, U.S. officials continued to express support for cross-strait military CBMs. In a speech on the administration's vision of the U.S.-China relationship, Deputy Secretary of State James Steinberg encouraged both the mainland and Taiwan "to explore confidence-building steps that will lead to closer ties and greater stability across the Taiwan Strait."⁵⁷

A central reason that the United States has backed cross-strait CBMs is that a PRC-Taiwan military conflict, even if triggered by an accident or miscalculation, would likely result in U.S. involvement. The easing of cross-strait political tensions and promotion of economic cooperation has already contributed to the reduced possibility of military conflict in the Taiwan Strait, and the United States has welcomed this process. The establishment of communication and transparency measures, and the implementation of steps that introduce greater predictability, would lower the risk of unintended conflict, and could further increase political trust. Moreover, U.S. support for cross-strait military CBMs is consistent with the long-standing U.S. position that differences between the two sides of the strait should be settled peacefully through negotiations.

⁵⁴ "Crisis in the Taiwan Strait: Implications for U.S. Foreign Policy," hearing before the Subcommittee on Asia and the Pacific, Committee on International Relations, House of Representatives, 104th Cong., March 14, 1996, http://www.archive.org/stream/crisisintaiwanst00unit/crisisintaiwanst00unit_djvu.txt.

⁵⁵ "Statement of Dr. Kurt Campbell, Deputy Assistant of Defense for International Security Affairs Asian and Pacific Affairs, before the Senate Foreign Relations Committee," August 4, 1999, <http://bulk.resource.org/gpo.gov/hearings/106s/60900.txt>.

⁵⁶ James S. Kelly, "Overview of U.S. Policy toward Taiwan," testimony at a hearing on Taiwan, House International Relations Committee, April 21, 2004, <http://www.mtholyoke.edu/acad/intrel/china/kelly.htm>.

⁵⁷ James B. Steinberg, "Administration's Vision of the U.S.-China Relationship," keynote address, Center for a New American Security, Washington, D.C., September 24, 2009, <http://www.state.gov/s/d/2009/129686.htm>.

Although the United States is an interested bystander, U.S. government officials do not expect to participate directly in talks on cross-strait CBMs or seek to influence the agenda or the pace of discussions between the mainland and Taiwan. In a speech delivered at the U.S.-Taiwan Business Council in September 2009, Assistant Secretary of Defense Wallace Gregson suggested that U.S. support for military CBMs was not intended to signal that the Obama administration was pressuring Taiwan to begin negotiations if it deemed such talks to be premature. “We are encouraged by the PRC’s reciprocity in encouraging renewed interactions in cultural and economic affairs,” Gregson said, “but we have not yet seen similar progress or dialogue in military affairs. We encourage both sides to consider such steps at the appropriate time and in a mutually agreed manner.”⁵⁸

That being said, given the abiding interests of the United States in the region and its close security ties with Taiwan, U.S. officials expect that Taiwan will consult with Washington prior to the pursuit of cross-strait CBM negotiations. If Taipei determines that it is in its interests to officially discuss military CBMs with mainland China, it should discuss a possible CBM roadmap with Washington.

Mainland officials and scholars hope the United States will provide explicit support for cross-strait CBMs and applaud statements by Obama administration officials that encourage the two sides of the strait to explore ways to promote military confidence-building steps. Unequivocal U.S. backing for improved cross-strait relations, including military CBMs, will bolster domestic support for Hu Jintao’s policy toward both Taiwan and the United States, experts say. In addition, mainland analysts maintain that U.S. reassurances would address concerns in Taipei that Washington is opposed to cross-strait military CBMs, and thereby remove at least one obstacle to beginning informal discussions between Taipei and Beijing.

Beyond offering encouragement, however, mainland officials and scholars insist that the United States has no role to play in the negotiation or implementation of cross-strait military CBMs. They reject a role for the United States or any other country as mediator or guarantor of a cross-strait agreement. Beijing hopes that agreement on military CBMs will serve to curb the U.S. role in maintaining security in the Taiwan Strait, including by reducing or eliminating U.S. arms sales to Taiwan.

However, many in Taiwan favor U.S. participation in an eventual cross-strait CBM process, arguing that Taiwan’s weakness relative to mainland China requires the involvement of its quasi-ally. Some scholars call for the United States to play the role of “supervisor” to oversee the establishment and implementation of a military mutual trust mechanism.⁵⁹ Others advocate that

⁵⁸ Wallace C. Gregson, remarks to the U.S.-Taiwan Business Council Defense Industry Conference, Washington, D.C., September 28, 2009, http://www.us-taiwan.org/reports/2009_september28_wallace_gregson_conference_keynote.pdf.

⁵⁹ See, for example, Wang Kun-I, “How to Build up Military Mutual Trust Mechanism across the Strait,” *Chiao Liu*, April 2, 2009, OSC, CPP20090429312001.

the United States serve as guarantor for a cross-strait CBM agreement. While there is no consensus on the role the United States should play, there is nevertheless widespread agreement that U.S. support must be secured for any CBMs pursued with the mainland. There is also a desire for assurances that cross-strait military CBMs will not have any adverse impact on Taiwan's security ties with the United States and future ability to purchase weapons. The KMT paper on CBMs released in October 2009 noted that President Ma has stressed that building cross-strait military mutual trust is a sensitive question that involves Taiwan's relations with the United States. The paper quoted Ma as saying "Our major weapons and equipment all come from the United States. Therefore, we have to be very careful."⁶⁰

A Roadmap for Cross-strait Military CBMs

At the current stage, there is still insufficient political trust to proceed with formal negotiations on cross-strait military CBMs. More needs to be done to create favorable conditions. Greater progress in the economic sphere, including the signing of a mutually beneficial ECFA, which President Ma Ying-jeou has set as a priority, will contribute to the process of trust building. Expanding cooperation in the law enforcement arena, including negotiation of an extradition agreement, repatriation of illegal immigrants, clamping down on smuggling and other criminal activities in the Taiwan Strait, strengthening border security, and improving joint emergency response capabilities to cope with accidents associated with the "three links" and the "mini three links" can further develop habits of cooperation. Increasing exchanges in nonsensitive areas such as culture, health, and sports also provide opportunities to ease suspicions and create positive attitudes, though one has to acknowledge that such attitudes will not automatically be translated into trust in the military arena.

Possible Near-term Military CBMs

In the military realm, unilateral steps to signal good will can pave the way for future bilateral discussions. A process of reciprocated unilateral measures has in fact already begun. In 2009, Taiwan's annual Han Kuang military exercise used a computer simulation designed to test the government's ability to respond to a natural disaster, epidemic, or severe economic crisis. In prior years, simulations posited a decapitation attack by the PLA on the president or a surprise attack on major infrastructure.⁶¹ In a parallel gesture, the PLA opted to not conduct a major military exercise in the Nanjing Military Region in 2009, instead holding the exercise a greater distance from Taiwan.⁶²

Additional unilateral CBMs could be taken to increase the predictability of behavior on both sides, reducing the likelihood that conflict could break out through accident, misunderstanding, or

⁶⁰ "How to Develop Cross-strait Military Confidence-Building Measures?" KMT Policy Committee.

⁶¹ "Ma Participates in Han Kuang Military Exercises," *Taipei Times*, June 6, 2009.

⁶² Nei Eryan, "Proactively and Immediately Establish Military Mutual Trust across the Taiwan Strait," *Wen Wei Po*, May 19, 2009, OSC, CPP20090623715023.

misreading of the other's actions. Examples of near-term unilateral military CBMs that could be implemented, include:

1. *Expand information provided in defense white papers.* Both Taiwan and the mainland publish a defense white paper every two years. Greater detail about military doctrine, weapons acquisitions, military capabilities, and defense policy could be included. Beijing could include more information about its approach to cross-strait confidence building, a topic Taiwan has included in its white papers since 2001. In addition, both sides could explicitly list the unilateral CBMs steps that each side is taking to build mutual trust and prevent accidents.
2. *Provide more information on respective military activities.* Beijing could begin providing regular advance notification of military exercises and troop movements. Taiwan already announces a detailed calendar of military exercises at the beginning of each fiscal year in July. Beijing could also contribute more detailed data to the UN Register of Conventional Arms and agree to an arrangement whereby Taiwan arms purchases are also reflected in the register.
3. *Expand weapons of mass destruction (WMDs) pledges.* The PRC could publicly state that its pledge to not initiate first use of nuclear weapons includes Taiwan. Taiwan has already promised not to develop nuclear weapons or other weapons of mass destruction.
4. *Further modify military exercises.* Building on the gestures made in 2009, the PLA could not only continue to avoid holding military exercises in close proximity to Taiwan, but could also design future exercises that do not take Taiwan as the main target. Taiwan could continue to focus on improving emergency response capabilities to natural disasters and health epidemics.
5. *Make minor adjustments in military deployments.* Although substantial adjustments in military deployments will not likely take place until later stages, small steps could be taken now that would have greater significance as good will gestures than as meaningful reductions of military threat. Taipei has announced plans to cut the number of troops stationed on Kinmen, Matsu, and Penghu Islands to fewer than 10,000. Beijing can move a small number of its older and less accurate short-range ballistic missiles out of range of Taiwan or even destroy them.

Even though it may be premature to launch discussions of bilateral military CBMs, the two sides of the strait can nevertheless proceed with bilateral nonmilitary CBMs to which a military component could be added when both sides are ready. Once again, positive steps are already under way. In October 2008, Xiamen (part of the Chinese mainland) and Jinmen (an island under Taiwan's jurisdiction) held a search and rescue exercise to test and enhance both sides' rescue agencies' abilities to respond to a maritime emergency. In the exercise scenario, a mainland ship caught fire and collided with a "mini three links" passenger ship, injuring 2 passengers and causing 10 others to fall into the water. Forty transport vessels, including rescue ships and

helicopters, and approximately 300 people joined the exercise. Participating local departments included the Xiamen Marine Rescue Center and Sea Patrol Bureau and the Jinmen Harbor Affairs Department.⁶³

In the aftermath of the Wenchuan earthquake and other recent natural disasters on the mainland and Typhoon Morakot on Taiwan, both sides of the strait are paying greater attention to emergency preparedness and response. Civilian cooperation in this area can be expanded, including more search and rescue exercises, and military units can participate when both sides agree. There is a pressing need for increased cooperation in this area. Up to 500 vessels sail the sea in the Taiwan Strait every day, often in inclement weather, and maritime accidents occur frequently. In one recent incident in October 2009, a Panamanian-registered cargo ship, the *Silver Sea*, sank off the waters southwest of Taiwan's Penghu Islands. Rescue efforts were carried out by Taiwan, the mainland, and Hong Kong. The three parties could only use rescue radio frequencies to communicate with each other, which hampered their effectiveness.⁶⁴

Once both sides of the strait are ready to proceed with bilateral military CBMs, an early step should be to improve the existing informal mechanisms and arrangements that have been established due to necessity. For example, informal communication channels that are used to notify the other side of unusual activity could be made more reliable and secure.

Possible More Advanced Military CBMs

The following is a list of bilateral CBMs that would require prior negotiation and are likely to occur only if there is more substantial progress in the cross-strait political relationship. Some are measures specifically aimed at avoiding unintended conflict, while others are designed to reduce misunderstanding and increase trust.⁶⁵

1. *Set up hotlines.* The establishment of bilateral hotlines is an important step in fostering a more predictable and less crisis-prone environment in the Taiwan Strait. In November 1997, Taipei's China Rescue Association and the mainland's China Marine Rescue Center agreed to set up a hotline to facilitate marine rescue work in the strait.⁶⁶ Operational hotlines could be set up between the two side's naval and air force commanders that could be used to clarify intentions and exchange information in the event of an unexpected event or accident. Meetings to review the functioning of a communications link and suggest upgrades or

⁶³ "Xiajin hangxian haishang soujiu yanxi chengong" (Xiamen-Jinmen Marine Search and Rescue Exercise a Success), *People's Daily*, October 24, 2008.

⁶⁴ "How to Develop Cross-strait Military Confidence-Building Measures?" KMT Policy Committee.

⁶⁵ This section draws from Bonnie S. Glaser, "Military Confidence Building Measures: Averting Accidents and Building Trust in the Taiwan Strait," *American Foreign Policy Interests* 24, no. 2 (April 2005): 91-104.

⁶⁶ "Hotline to Facilitate Rescue Work in Taiwan Strait," Central News Agency (FBIS-CHI-97-329), November 25, 1997, cited in Allen, "Military Confidence-Building Measures across the Taiwan Strait."

changes would provide another forum in which to expand contacts between the two militaries.

2. *Begin military exchanges.* Limited visits by retired Taiwan military officers and civilian national security experts have already taken place. These could be regularized and expanded to include active duty officers as trust builds. Exchanges could take place between National Defense Universities on both sides. Discussions could include broader Asia-Pacific security issues, such as proliferation, and nontraditional security issues, such as counterterrorism, piracy, smuggling, and illegal immigration. Contacts could also be promoted between PRC and Taiwan military personnel stationed in or studying abroad in third countries.
3. *Share information.* Military representatives could be assigned to SEF and ARATS, the two quasi-governmental organizations that are authorized to conduct negotiations, to serve as liaisons. They could be used to pass information prior to the installation of a hot line between the two militaries. Eventually a working group could be set up in the SEF-ARATS channel for discussion of CBMs.
4. *Develop maritime cooperation.* The navies of the PRC and Taiwan are engaged in many activities in addition to their wartime missions and conduct exercises that relate to maintaining the safety of the waters and security in the Taiwan Strait, including pollution control, search and rescue operations, combating piracy and smuggling, assistance for natural resource exploration, and fisheries patrol. Collaborative efforts between the two sides in some of these naval and maritime activities where their interests converge would enable the development of habits of cooperation that can play a role in building trust. The two sides could study the cooperative models of other navies, undertake joint scientific and technical projects, jointly plan for cooperative responses to oils spills⁶⁷ and other environmental disasters, and practice joint search and rescue maneuvers.
5. *Negotiate conflict avoidance arrangements.* Beijing and Taipei could negotiate an agreement aimed at preventing dangerous military activities and containing their consequences if they occur. Such an agreement could include codes of conduct for military forces and mandate modes of consultation and communication in crises. It could also provide for discussion of measures to promote safe maritime practices, establishment of communications procedures when ships encounter each other, interpretation of the Rules of the Nautical Road, and avoidance of accidents at sea. A Maritime Risk Reduction Center could be set up to facilitate exchange of information and support the implementation of CBM and other bilateral agreements.

⁶⁷ Environmentalists from Taiwan and the mainland met on Jinmen in November 2009 to discuss emergency preparedness for oil spills. “Cross-strait Seminar on Cooperation for Oil Slick Issues,” *The China Post* online, November 26, 2009.

6. *Establish a missile restraint regime.* At a more advanced phase of confidence building, the PRC and Taiwan could establish limits on the numbers and location of deployments of ballistic missiles, ground-based cruise missiles, and ballistic missile defense systems.
7. *Agree on additional operational military constraints.* Advanced CBMs could include constraint measures that prevent emplacement of large numbers of troops and weapons in a specified zone to limit the ability of parties to mount large-scale offensives. Restrictions could be set on the types, scale, frequency, and timing of military exercises, and both sides could agree to not hold exercises in important air routes, sea lanes, and at sensitive political junctures.

Policy Recommendations

Leaders in both mainland China and Taiwan realize that they face an important and historic opportunity to improve cross-strait relations and begin the process of resolving long-standing differences. They also recognize that the hard-won achievements made in improving their relations are tenuous. More work is needed to increase political trust. Even as it is important to seize the opportunity to build mutual military trust, the two sides should not move prematurely to discuss military CBMs until both sides are fully prepared.

Going forward, Beijing and Taipei should take concrete steps to create conditions under which a military CBM dialogue can be launched. Washington also has a role to play in facilitating this process.

For Mainland China:

- The PRC should continue to expand economic ties with Taiwan in ways that help Taiwan accelerate its recovery from the global financial crisis. Early consideration should be given to granting fifth-freedom onward connections for Taiwan airliners and lifting restrictions on cargo shipments that limit their operations to direct cross-strait trade.
- The mainland should respond positively to Taipei's request to participate directly in the ICAO and the UNFCCC. Beijing should also continue to observe the tacit diplomatic truce and remove any obstacles to Taiwan's participation in international nongovernmental organizations. China should not oppose negotiated FTAs between Taiwan and other nations.
- In the military sphere, the mainland should signal its good will through unilateral steps of greater transparency, modifications of military exercises, and adjustments in deployments of missiles opposite Taiwan. Mainland efforts should focus on creating conditions that are conducive to beginning talks with Taiwan on military CBMs. Beijing should be patient and avoid exerting pressure—or creating the impression of exerting pressure—on Taipei to enter into official or unofficial discussions of cross-strait military CBMs.

- In the current phase of cross-strait relations in which both sides are focusing on peaceful development, the mainland should seek to further improve relations with Taiwan on the basis of the 1992 consensus.

For Taiwan:

- President Ma Ying-jeou should continue to seek a broad domestic consensus across Taiwan's political spectrum in favor of expanding ties with the mainland. Cross-strait reconciliation should proceed at a pace that is supported by the majority of Taiwan's people.
- Taipei should seek ways to further build political trust with the mainland that are in accord with its national interests.
- Taiwan should continue to consult closely with the United States on its approaches to managing its evolving relationship with the mainland. This includes discussion of approaches to pursue cross-strait military CBMs.
- Taiwan's efforts to enhance its participation in state-based international organizations should take into account the PRC's concern that expanding Taiwan's international space may undermine Beijing's longer-term objective of reunification. Taipei should seek to strike a balance between addressing the desire of the people of Taiwan to have a voice in the international community and the mainland's domestic need to adhere to its "one China" principle.

For the United States:

- The United States should continue to express its firm support for the ongoing process of easing cross-strait tensions and trust building between the mainland and Taiwan, including military CBMs. However, the United States should avoid pressuring Taiwan to enter into discussions that Taiwan's leaders deem premature. The U.S. government should also make clear its support in principle for cross-strait agreements that are reached by the free and uncoerced choice of the people on both sides.
- U.S. officials should be clear and consistent in their statements about U.S. policy toward cross-strait issues to prevent misunderstanding in Taiwan or the mainland. There should be no major adjustments made in the overall policy framework for handling Taiwan-mainland relations that has served U.S. interests well for more than three decades.
- The United States should take visible steps in the economic, political, and security fields to bolster Taiwan's sense of security and confidence in the U.S.-Taiwan relationship. This is essential if President Ma is to sustain his policy of expanding cooperation with the mainland.

Close security ties with Taiwan should be sustained in accordance with the terms of the Taiwan Relations Act. Specific decisions on U.S. arms sales, military cooperation with Taiwan, and U.S. force deployments should be made in the context of U.S. interests in securing long-term peace and stability in the Taiwan Strait.



APPENDIX A. LIST OF DELEGATION MEMBERS

James Shinn

Visiting Lecturer

*Keller Center for Innovation and Engineering Education and Electric Engineering
Princeton University*

Ralph A. Cossa

President

Pacific Forum CSIS

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Michael Swaine

Senior Associate

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APPENDIX B. MEETING AGENDAS

CSIS-Cross-Strait Interflow Prospect Foundation Workshop
Washington, D.C., August 25, 2009,

Panel I: Cross-Strait Relations

Panel II: U.S.-Taiwan Relations

Taiwan Participants

Bih-Jaw Lin

Chairman

Cross-Strait Interflow Prospect Foundation

Tzong-Ho Bau

Vice President

National Taiwan University

Chien-Min Chao

Deputy Minister

Mainland Affairs Council

Ta-Chen Cheng

Associate Research Fellow

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James Shi Chu

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Arthur Ding

Research Fellow

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Joseph S.C. Hua

Deputy Director-General

Department of Policy Planning

Mainland Affairs Council

Kwei-Bo Huang

Chair

Research and Planning Committee

Ministry of Foreign Affairs

S. Philip Hsu

Associate Professor

Department of Political Science

National Taiwan University

David Y. L. Lin

Vice Minister

Ministry of Foreign Affairs

Tsu-Kuang Liu

Research Fellow

Cross-Strait Interflow Prospect Foundation

Shou-Shan Peng

President

Cross-Strait Interflow Prospect Foundation

Yang-Ming Sun

Vice President

Cross-Strait Interflow Prospect Foundation

Harry Tseng

Director-General

Department of North American Affairs

Ministry of Foreign Affairs

Kao-Cheng Wang
Professor
Graduate Institute of International Affairs
and Strategic Studies
Tamkang University

Meng-Han Yan
Senior Adviser
Cross-Strait Interflow Prospect Foundation

Tai-Shun Yang
Acting President
Chinese Culture University

**CSIS-China Foundation for International and Strategic Studies (CFISS)
Workshop, Beijing, August 28, 2009**

Panel I: U.S.-Taiwan-China Relations

Panel II: Security Issues in the Cross-Strait Relationship

Chinese Participants

Chen Zhiya
Secretary-General
CFISS

Huang Jiashu
Professor
Renmin University

Lu Dehong
Deputy Director
Research Department
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Luo Yuan
Department of Strategic Studies
Academy of Military Science

Wang Xian
Director
Taiwan Affairs Office
State Council of the People's Republic of
China

Xu Shiquan
Vice Chairman
National Society of Taiwan Studies

Yuan Peng
Director
Institute of American Studies
China Institutes of Contemporary
International Relations

Zhang Tuosheng
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ABOUT THE AUTHOR

Bonnie Glaser is a senior fellow with the CSIS Freeman Chair in China Studies, where she works on issues related to Chinese foreign and security policy. She is concomitantly a senior associate with Pacific Forum CSIS and a consultant for the U.S. government on East Asia. From 2003 to mid-2008, Ms. Glaser was a senior associate in the CSIS International Security Program. Prior to joining CSIS, she served as a consultant for various U.S. government offices, including the Departments of Defense and State. Ms. Glaser has written extensively on Chinese threat perceptions and views of the strategic environment, China's foreign policy, Sino-U.S. relations, U.S.-China military ties, cross-strait relations, Chinese assessments of the Korean peninsula, and Chinese perspectives on missile defense and multilateral security in Asia. Her writings have been published in the *Washington Quarterly*, *China Quarterly*, *Asian Survey*, *International Security*, *Problems of Communism*, *Contemporary Southeast Asia*, *American Foreign Policy Interests*, *Far Eastern Economic Review*, *Korean Journal of Defense Analysis*, *New York Times*, and *International Herald Tribune*, as well as various edited volumes on Asian security. Ms. Glaser is a regular contributor to the Pacific Forum quarterly Web journal *Comparative Connections*. She is currently a board member of the U.S. Committee of the Council for Security Cooperation in the Asia Pacific and a member of the Council on Foreign Relations, and she served as a member of the Defense Department's Defense Policy Board China Panel in 1997. Ms. Glaser received her B.A. in political science from Boston University and her M.A. with concentrations in international economics and Chinese studies from the Johns Hopkins School of Advanced International Studies.