

FOREIGN AFFAIRS

JANUARY/FEBRUARY 2010



Not So Dire Straits

How the Finlandization of Taiwan
Benefits U.S. Security

Bruce Gilley

Volume 89 • Number 1

The contents of *Foreign Affairs* are copyrighted. ©2010 Council on Foreign Relations, Inc. All rights reserved. Reproduction and distribution of this material is permitted only with the express written consent of *Foreign Affairs*. Visit www.foreignaffairs.org/permissions for more information.

Not So Dire Straits

How the Finlandization of Taiwan Benefits U.S. Security

Bruce Gilley

SINCE 2005, Taiwan and China have been moving into a closer economic and political embrace—a process that accelerated with the election of the pro-détente politician Ma Ying-jeou as Taiwan’s president in 2008. This strengthening of relations presents the United States with its greatest challenge in the Taiwan Strait since 1979, when Washington severed ties with Taipei and established diplomatic relations with Beijing.

In many ways, the current thaw serves Taipei’s interests, but it also allows Beijing to assert increasing influence over Taiwan. As a consensus emerges in Taiwan on establishing closer relations with China, the thaw is calling into question the United States’ deeply ambiguous policy, which is supposed to serve both Taiwan’s interests (by allowing it to retain its autonomy) and the United States’ own (by guarding against an expansionist China). Washington now faces a stark choice: continue pursuing a militarized realist approach—using Taiwan to balance the power of a rising China—or follow an alternative liberal logic that seeks to promote long-term peace through closer economic, social, and political ties between Taiwan and China.

BRUCE GILLEY is Assistant Professor of Political Science at Portland State University’s Mark O. Hatfield School of Government and the author of *The Right to Rule: How States Win and Lose Legitimacy*. For an annotated guide to this topic, see “What to Read on Taiwanese Politics” at www.foreignaffairs.com/readinglists/taiwan.

A TALE OF TWO DÉTENTES

AFTER THE Chinese Civil War ended in 1949, Taiwan and mainland China became separate political entities, led, respectively, by Chiang Kai-shek's defeated nationalist party, the Kuomintang (KMT), and Mao Zedong's victorious Chinese Communist Party (CCP). For nearly three decades, Chiang and Mao harbored rival claims to the whole territory of China. Gradually, most of the international community came to accept Beijing's claims to territorial sovereignty over Taiwan and a special role in its foreign relations. By 1972, when U.S. President Richard Nixon visited China, 69 percent of the United Nations' member states had already severed diplomatic ties with Taiwan in favor of relations with China.

The United States, which had merely "acknowledged" Beijing's claim to Taiwan, was slow to recognize the People's Republic of China due to Washington's historical ties with the KMT, dating back to World War II and its conflict with the PRC during the Korean War. The strategic position of Taiwan, astride western Pacific sea and air lanes, gave it added importance. But by 1979, even Washington had recognized Beijing. That same year, the United States enacted the Taiwan Relations Act in order to ensure continued legal, commercial, and de facto diplomatic relations with the island. At the last minute, Senate Republicans—along with several Democrats who worried that President Jimmy Carter was disregarding Taiwan's security—amended the legislation to include promises of arms sales to Taipei and a broader U.S. commitment to "resist any resort to force or other forms of coercion" against the island.

The fading of the Chiang-Mao rivalry, which subsided after both leaders died in the mid-1970s, coupled with Beijing's new inward-looking focus on economic development, made these military commitments appear anachronistic during the 1980s. Beijing ended its shelling of the Taiwanese islands off the Chinese coast and welcomed Taiwanese "compatriots" to the mainland for tourism, investment, and family reunification. Taiwan's native-born president, Lee Teng-hui, who came to power in 1988, had no interest in "retaking the mainland" and approved the creation of such exchanges. In 1993, the heads of the two governments' cross-strait contact groups held their first direct talks, in Singapore.

This “first détente” ended abruptly in 1995, when the United States issued a visa for Lee to visit Cornell University. China, in the midst of a domestic leadership transition, was already hardening its position on Taiwan, and armchair generals in all three places were publishing books on the predicted order of battle to come. Beijing saw the visa as a betrayal of earlier U.S. promises to refrain from any official relations with Taiwanese leaders. Taiwan’s democratization was also leading to domestic popular pressures for a more assertive stance on independence. Beijing reacted by hurling missiles into the Taiwan Strait in 1995 and 1996. Washington dispatched aircraft carriers and radar ships to the area. Beijing’s worst fears were then realized in 2000, when Taiwanese citizens elected Chen Shui-bian as their president. Chen, the leader of the Democratic Progressive Party (DPP), now the opposition, promised to seek formal recognition of Taiwan’s de facto independence from China. As a consequence, cross-strait relations deteriorated dramatically between 1995 and 2005, leading to a renewed emphasis on militarization by all three sides.

The damage wrought by this “second freeze” led to serious rethinking in all three capitals. Beijing worried that its aggressive posture on Taiwan was threatening its broader influence in Asia, as other nations rallied behind the U.S. security shield; Taipei began to reevaluate the value of its symbolic assertions of nationhood; and Washington began to question its unlimited commitment to an increasingly troublesome Taiwan, which threatened to damage, if not destroy, its more important relationship with China. By the end of George W. Bush’s first term, Washington had become the main check on Taipei’s assertions of independence.

The “second détente” in cross-strait relations began with a 2005 speech by Chinese President Hu Jintao downplaying demands for reunification. Beijing was shifting its view as a result of an emerging grand strategy that stressed regional and global influence; accordingly, it came to see Taiwan less as an ideologically charged and urgent matter and more as a pragmatic and low-key management issue. Ma’s election in 2008 signaled the resurgence of a similar vision in Taiwan. He promised “no unification, no independence, no use of force.” Within months, in rapid and unprecedented fashion, the heads of the contact groups began holding semiannual meetings and signed more than

two dozen previously unthinkable agreements. Although most of these involved economic matters, they had political implications, too. The number of Chinese tourists visiting Taiwan—including Taiwan’s long-militarized islands directly off the coast of China—surged by a factor of ten, to 3,000 per day. China sent students to Taiwan, and the two sides authorized 270 flights per week across the strait. Important political fears that had previously restricted economic integration suddenly dissipated on both sides, and Taipei and Beijing began talking about the “total normalization” of their economic and financial ties. The supposedly fixed national interests on which foreign policy realists base their assessments were in total flux.

The second *détente* has also included explicitly political deals. China had previously permitted Taiwan to participate only in international organizations with an economic focus, such as the Asian Development Bank, the Asia-Pacific Economic Cooperation (APEC), and the World Trade Organization. In 2009, it allowed Taiwan to participate as an observer at the annual board meeting of the World Health Organization (WHO) in Geneva. Both sides began discussing a Taiwanese presence in the UN bodies responsible for civil aviation, commercial shipping, meteorology, and climate change.

Both sides also tacitly agreed to a “diplomatic truce”: Beijing ceased courting the nations on Taiwan’s dwindling list of 23 diplomatic allies, and in 2009 Taipei dropped its perpetual request for UN membership for the first time in 17 years. When Ma was reelected as KMT chair in July 2009, Hu declared that he would like to build “mutual trust between the two sides in political affairs.” As political relations warmed, Taiwanese officials—including leading DPP figures, such as the mayor of Kaohsiung—became regular visitors in China.

There are indications that this second cross-strait *détente* will last. Although both leaders’ terms will expire in 2012, Hu’s designated successor, Xi Jinping, is a well-known advocate of cross-strait exchanges. Ma, meanwhile, has recovered from the political damage wrought by Typhoon Morakot, which struck the island in August 2009. So long as the DPP remains divided between extreme anti-*détente* and limited-*détente* factions, he seems likely to win reelection.

“Finlandization”
need not be a
pejorative term.

Taiwan and China are now approaching their relationship using completely different assumptions than those that governed cross-strait relations for decades. Whereas they previously saw the relationship as a military dispute, today both sides have embraced a view of security that is premised on high-level contact, trust, and reduced threats of force. Their views of economic issues, meanwhile, have placed global integration and competitiveness ahead of nationalist protectionism. This represents a fundamental shift in the political relationship between Taiwan and China.

FROM HELSINKI TO TAIPEI

TO UNDERSTAND the evolution of the Taipei-Beijing relationship, it is useful to consider the theory and practice of what has become known as “Finlandization” in the field of political science. The term derives its name from Finland’s 1948 agreement with the Soviet Union under which Helsinki agreed not to join alliances challenging Moscow or serve as a base for any country challenging Soviet interests. In return, the Kremlin agreed to uphold Finnish autonomy and respect Finland’s democratic system. Therefore, from 1956 to 1981, under the leadership of President Urho Kekkonen, Finland pursued a policy of strategic appeasement and neutrality on U.S.-Soviet issues and limited domestic criticism of the Soviet Union. This policy enjoyed wide support in Finland at the time (despite the subsequent debate in Finland on its merits). Kekkonen also won praise across the political spectrum in the United States, especially from foreign policy realists such as George Kennan, who lauded the Finnish leader’s “composure and firmness.”

Building on the work of others, the Danish political scientist Hans Mouritzen in 1988 proposed a general theory of Finlandization known as “adaptive politics.” Mouritzen stressed the fundamental difference between a Finlandized regime and a client, or “puppet,” state, explaining that the former makes some concessions to a larger neighbor in order to guarantee important elements of its independence—voluntary choices that the latter could never make. Unlike a puppet regime, a Finlandized state calculates that its long-term interests, and perhaps those of its neighbors, are best served by making strategic

concessions to a superpower next door. These concessions are motivated chiefly by geographic proximity, psychological threats from the superpower, and cultural affinities between the two sides. Being so close, the superpower need only issue vague threats, rather than display actual military muscle, to change its weaker neighbor's policies. Meanwhile, the small power perceives itself as engaging in an "active and principled neutrality," rather than a cowering acquiescence, a distinction that is critical to rationalizing these policy changes domestically.

Finlandization posed a direct challenge to the dominant realist logic of the Cold War, which held that concessions to Soviet power were likely to feed Moscow's appetite for expansion. Even if one rejects the theory of Finlandization, it is difficult to deny that Kekkonen played a constructive role in ending the Cold War. In 1969, for instance, Finland offered itself as the venue for a conference between the two blocs that eventually produced a shared document with clear commitments to human rights and freedoms: the Helsinki accords.

Cold War historians, such as John Lewis Gaddis, believe that the Helsinki process was central to undermining the moral authority of the Soviet Union, and others have argued that it prompted the ideological shift necessary to kickstart Mikhail Gorbachev's perestroika in the mid-1980s. Moreover, Finland's unique status as interlocutor with Moscow made possible the first serious discussions of nuclear disarmament and of the shared development of Arctic resources, both of which served as templates for the warming of relations between NATO and the Soviet bloc. Although it usually has a negative connotation, "Finlandization" need not be a pejorative term.

Taiwan shares many of the key features that characterized Finland in the late 1940s. It is a small but internally sovereign state that is geographically close to a superpower with which it shares cultural and historical ties. Its fierce sense of independence is balanced by a pragmatic sense of the need to accommodate that superpower's vital interests. Most important, the evolving views of its leaders and its people today focus on seeking security through integration rather than confrontation. This approach could help defuse one of

A Finlandized Taiwan would reposition itself as a neutral power rather than a U.S. strategic ally.

the most worrying trends in global politics: the emerging rivalry between China and the United States.

The analogy is not perfect. U.S. security guarantees for Taiwan today are more explicit than they were for Finland during the Cold War, although few doubt that NATO would have defended Finland against a Soviet invasion. And China's 1,000-plus missiles targeted at Taiwan are a more direct threat than anything the Soviet military ever mustered across the Vuoksi River. But in general the thinking that has motivated the second *détente* on both sides parallels that which led to the Finnish-Soviet *détente* of the Cold War. Although it is still early, Taipei is moving in the direction of eventual Finlandization.

Under such a scenario, Taiwan would reposition itself as a neutral power, rather than a U.S. strategic ally, in order to mollify Beijing's fears about the island's becoming an obstacle to China's military and commercial ambitions in the region. It would also refrain from undermining the CCP's rule in China. In return, Beijing would back down on its military threats, grant Taipei expanded participation in international organizations, and extend the island favorable economic and social benefits.

The DPP's director of international affairs, Hsiao Bi-khim, has written that the changes in Taiwan's China policy "are leading to a new strategic outlook, which aligns Taiwan with China's sphere of influence instead of maintaining the traditional presumed informal alliance with the United States." Although Hsiao, like many in the DPP, fears this sort of shift, such reservations are unwarranted.

A MEANS OR AN END?

THERE ARE two ways to view the shift in Chinese policy toward Taiwan. The dominant interpretation has long been that Beijing is motivated by nationalism and that the PRC's irredentist claims to Taiwan stem from a broader national discourse of humiliation and weakness. According to this view, the CCP is striving to reincorporate Taiwan into China in order to avert a domestic nationalist backlash and a crisis of legitimacy. Seen in this light, Taiwan is an end unto itself and the second *détente* is merely a tactical shift intended to force

Taiwan into reunification through indirect means: beneath Beijing's silk glove of *détente* is the iron fist of nationalism.

In recent years, many Western analysts have rejected this nationalist interpretation of Beijing's Taiwan policy and opted instead for a geostrategic one. Unrecovered territories are legion in the history of the PRC, and the CCP has found it easy to let go of others (including disputed regions bordering Russia, India, and the Spratly Islands, as well as control over Mongolia and Korea). Taiwan, however, by virtue of its geographic location, represents a potential strategic threat to China. It could serve as a base for foreign military operations against China and even in peacetime could constrain Beijing's ability to develop and project naval power and ensure maritime security in East Asia.

Beijing's core goal from this perspective is the preservation of its dominance in its immediate offshore region, as became clear in 2009 when five Chinese vessels trailed a U.S. Navy ship sailing near a Chinese submarine base. Taiwan represents an obstacle to this goal if it remains a U.S. strategic ally armed with advanced U.S. weaponry, but not if it becomes a self-defending and neutral state with close economic and political ties to China. Beijing's constantly changing position on Taiwan—which has incrementally moderated from “liberation” to “peaceful unification” to “one China” to “anti-independence” since Mao's era—in fact reflects a concern with Taiwan's geostrategic status, not with the precise nature of its political ties to China. According to this interpretation, Beijing has no interest in occupying or ruling Taiwan; it simply wants a sphere of influence that increases its global clout and in which Taiwan is a neutral state, not a client state. Seen through this lens, Taiwan is a means to an end and the second *détente* is a tactic intended to achieve this strategic objective through Taiwan's Finlandization.

China's recent behavior confirms this view; Beijing's decision to allow Taiwan to participate in the WHO represents a cool-headed understanding that giving Taiwan a greater international voice could enhance its independence from the United States, which would, in turn, serve China's own interests. It also gives Beijing an opportunity to show that a China-dominated Asia need not be less peaceful, less prosperous, or even less democratic. As the Chinese scholar Jianwei Wang of the

University of Wisconsin–Stevens Point puts it, “Beijing views the Taiwan issue and cross-straits relations as an integral part of China’s comprehensive ‘rise’ in world affairs rather than as an isolated issue purely affecting national pride alone.”

Recent survey data lends credence to this argument. The mainland citizens polled by Horizon Research in 2004 were not particularly nationalist about retaking Taiwan—only 15 percent wanted immediate military action, whereas 58 percent believed that the government should rule out the use of force in favor of economic integration. In a 2008 speech, Hu identified “political antagonism,” rather than political separation, as the problem in cross-straits relations, breaking with previous pronouncements from Beijing. Subsequent policy statements by the CCP have revealed a calm confidence in the shifting geostrategic relationship with Taiwan, not a bombastic nationalist urgency for reunification.

THE PACIFIER

IN 1995, at the end of the first *détente*, Chen-shen Yen, a Taiwanese scholar and KMT adviser, wrote a paper in the Taiwanese political journal *Wenti yu Yanjiu* explicitly extolling the logic of Finlandization (or *fenlanhua* in Chinese) for Taiwan. By seeking Beijing’s approval for an expanded international voice, maintaining a foreign policy that did not threaten China, and choosing leaders who enjoyed Beijing’s trust, Yen argued, Taiwan could do more to protect its internal autonomy and economic prosperity than it could by challenging the rising superpower on its doorstep. Moreover, Taiwan’s long-term interests in gaining true independence could only be achieved by democratization in China, which would be more likely if Taiwan avoided stoking a military or ideological confrontation. His conclusion echoed that of the Athenians in Thucydides’ Melian dialogue: “Given the responsibility to protect its future existence,” wrote Yen, “a civilized country should adjust itself to external realities.” It has taken over a decade for Yen’s prescient views to gain currency, but they now have widespread support.

Ma’s pursuit of “total normalization” has enjoyed steady and rising popularity in Taiwan since he came to office. It reflects a view that the militarized approach to the cross-strait conflict that has dominated

both Taiwanese (and U.S.) strategic thinking since the days of Chiang and Mao has not resolved the dispute and does not serve Taiwan's present needs. Just as Finland, a small country, was able to pioneer a nonmilitarized alternative to the Cold War, so, too, could Taiwan play that role in the brewing U.S.-Chinese cold war in Asia.

At present, a rising China threatens the world primarily because there has been little in the way of domestic political liberalization to keep Beijing's increasing economic and military power in check. Taiwan could play a far greater role in China's liberalization if it were to become a Finlandized part of the region and its officials were able to move across the strait even more freely than they do now. Already, prominent Chinese liberals, such as Zhang Boshu of the Chinese Academy of Social Sciences, are arguing that the mainland should draw lessons about political development from Taiwan. As Sheng Lijun of the National University of Singapore writes, "With the Taiwan political challenge, Beijing will sooner or later have to improve its governance (including democracy, human rights, and anti-corruption)." Taipei's experience with democratic reform offers many lessons for Beijing—especially because the formerly authoritarian KMT's return to power in 2008 showed that the CCP could one day hope to rule again even if the advent of democracy initially brought another party to power.

Democratic reform in China will be encouraged both by popular pressure to emulate Taiwan (PRC citizens have already enthusiastically adopted Taiwanese pop culture and business practices) and by the brute necessity of managing the relationship in a way that meets the Taiwanese electorate's high expectations of transparency and accountability. Some may call it appeasement, but if Taiwan uses appeasement to democratize and pacify a rising China, it will be a worthy appeasement indeed.

SELLING FINLANDIZATION

TAIWAN'S CONTINUED progress toward Finlandization will depend on whether Ma can demonstrate the tangible benefits of this strategy to the Taiwanese population. He will have to secure an even greater international voice for Taiwan (for example, making its WHO observer

status permanent), the ability to negotiate its own free-trade agreements, and the verified removal of some of the more than 1,000 Chinese missiles currently aimed at the island. Best of all would be a peace accord under which China renounced the use of force unless the island were invaded or achieved *de jure* independence. Such an accord, which both sides are seeking, would be the functional equivalent of the 1948 Soviet-Finnish treaty, allaying the large power's security concerns while assuring the small power of its autonomy. Another potential benefit is a promised economic cooperation framework agreement within which Taiwan could pursue a free-trade agreement with Beijing; Taiwan currently risks becoming uncompetitive in the Chinese market and China-based supply chains as a result of the free-trade agreements between members of the Association of Southeast Asian Nations (ASEAN) and China.

Ma will also have to reassure Taiwanese voters, who fear losing their political freedoms. In Taiwan, there is a justified concern about being lured into a trap of integration with China that would imperil

The status quo that the United States has protected for decades is no longer the status quo that the Taiwanese want protected.

Taiwan's democracy and internal sovereignty (meanwhile, Beijing fears that Taiwan's external sovereignty will grow as its participation in international organizations expands). The University of Wisconsin's Wang, whose analysis reflects the CCP's strategic views, writes ominously that Ma will eventually have to show his goodwill by scaling back Taiwan's arms purchases and acknowledging that reunification is an option in the long term.

Wang is correct that Finlandization will not be free of costs for Taiwan. In particular, as was the case in Finland, Taipei will have to restrain anticommunist activism on the island and distance itself from the United States militarily.

Under much domestic pressure and possibly with the tacit consent of Beijing, Ma allowed the Dalai Lama to visit Taiwan in September 2009 to pray for the victims of the typhoon. But the same month he denied entry to the Uighur leader Rebiya Kadeer, citing national security concerns and the public interest. His official statement on the 20th anniversary of the Tiananmen Square massacre—with its delicate

reference to a “painful chapter in history” that “must be faced,” as similar dark moments in Taiwan’s history had to be—was classic Finlandized diplomacy. For Ma, the Tiananmen anniversary was a reminder to “both sides to spur each other to make further improvements in the area of human rights.” A similarly tendentious, if ultimately fruitful, moral equivalence on the part of Finnish leaders is what brought the Soviets to Helsinki to talk about human rights.

For now, domestic opposition to Ma’s policy is muted. Most controversies on the island concern how to pursue integration with China, not whether to do so. The risks of political dependence on China seem worth it to most Taiwanese, especially given the island’s current political dependence on the United States. And Taiwan’s youth, in particular, see China as an opportunity rather than a threat. For the DPP to regain power, it will have to embrace this pragmatic consensus on China. The days of the DPP’s “just say no” platform on China are over.

Just as Ma must consider the views of the electorate, he must also take into account the reactions of other Asian states. Taiwan could still alienate other Asian nations if it shifted to a more China-centered, Finlandized approach, but this is unlikely because it is exactly what ASEAN has been promoting among its members for ten years or more through its “ASEAN + 3” and ASEAN Regional Forum initiatives. The theory of Finlandization may highlight the uniqueness of Taiwan’s situation, but a similar logic already informs policymaking in other Asian capitals. South Korea has been taking a similar tack, and many neighboring nations believe that China can be pacified, as Vietnam was, through inclusion and cooperation. Even Japan, which feels itself to be more vulnerable than other Asian countries to China’s rise as a naval power, has an interest in encouraging internal reforms in China and might learn from Taiwan’s example. After all, West Germany’s successful *Ostpolitik*, which led to a peace treaty with the Soviet Union in 1970, built on the lessons of Finland’s accommodation with the Soviet Union.

Far from seeking to alienate other Asian governments, then, the KMT government believes that Taiwan’s international status will be

Even from a strictly realist perspective, there is no need for the United States to keep Taiwan within its strategic orbit.

enhanced if Taipei falls in step with its neighbors' preferred methods of dealing with a rising China—through accommodation, socialization, and communication.

OUT OF ORBIT

THE FINLANDIZATION of Taiwan will, of course, pose major challenges to current U.S. policy. An April 2009 Congressional Research Service report recognized this dilemma by asking how Washington ought to react “if Taiwan should continue to move closer to or even align with the PRC.” Opinions in Washington are divided between two realist camps. The first wants to allow the changes to proceed so that, in the words of Douglas Paal of the Carnegie Endowment for International Peace, Taiwan does not become a “strategic liability” to the United States. The second wants to rearm Taiwan so that, in the words of Dennis Blair, the U.S. national intelligence director, Taiwan is not “so defenseless that it feels that it has to do everything that China says.” Neither camp seems to accept, much less endorse, the liberal logic of Finlandization as an alternative security strategy for Taiwan.

Taiwan has played a strategic role in U.S. foreign policy since the 1940s—first it served as a buffer against communist expansion out of North Korea, and more recently it has been a bulwark against a rising China. It is strategically located along East Asian shipping lanes and could provide another naval resupply site if China continues to limit U.S. naval visits to Hong Kong. Keeping Taiwan within the U.S. orbit has served Washington's interests by demonstrating that the United States will continue to engage in Asia, despite talk of a declining U.S. role in the region. The tragic result of this policy, however, has been that it has played into Beijing's fears of encirclement and naval inferiority, which in turn has prompted China's own military buildup.

Finlandization will allow Taiwan to break this cycle by taking itself out of the game and moderating the security dilemma that haunts the Washington-Beijing relationship. The cross-strait freeze of 1995–2005 raised fears in Washington that Taiwan was becoming a strategic liability for the United States. Ma's policies have momentarily resolved that concern. And if the United States uses the current

opportunity to adjust its own policies and support the détente, that concern could be rendered moot. This would make future provocations by either side less likely.

Taipei's decision to chart a new course is a godsend for a U.S. administration that increasingly needs China's cooperation in achieving its highest priority: maintaining the peaceful international liberal order. The United States requires Beijing's support on a host of pressing world issues—from climate change to financial stability and nuclear nonproliferation. William Stanton, Washington's de facto ambassador to Taiwan, admitted as much in October 2009, declaring that "it's in everybody's interests, including Taiwan's as well, that the U.S. try to have a cooperative relationship with China."

In recent years, the U.S.-Taiwanese relationship has been increasingly dictated by the interests of narrow lobbies rather than grand strategy. The U.S. arms industry, the Taiwanese military, and Taiwanese independence activists together make a formidable force. Before the current détente, Taiwan's staunch anticommunism and adversarial policy toward China aligned well with Washington's own ideology and militarized approach to the Taiwan Strait. But the recent evolution of tactical and strategic thinking in Taipei and Beijing has created a disjuncture. The adversarial status quo that the United States has protected is no longer the status quo that the Taiwanese want protected.

Obviously, if Ma were to compromise Taiwan's democratic institutions in pursuit of détente with China, Washington would have reason to complain. But if a democratic Taiwan continues to move into China's orbit, Washington should follow the lead of the Taiwanese people in redefining their future. In the past, U.S. "noninterference" meant maintaining the balance of power across the strait and challenging Beijing's provocations. Today, it means reducing the militarization of the conflict and not interfering with Taiwan's Finlandization.

Even from a strictly realist perspective, there is no need for the United States to keep Taiwan within its strategic orbit, given that U.S. military security can be attained through other Asian bases and operations. Taiwan's Finlandization should be seen not as a necessary sacrifice to a rising China but rather as an alternative strategy for pacifying China. Washington should drop its zero-sum view of the Taipei-Beijing relationship and embrace the strategic logic underlying

the rapprochement—in effect “losing China” a second time by allowing Taiwan to drift into the PRC’s sphere of influence.

Ma told a visiting congressional delegation in August 2009 that his *détente* would be “beneficial to all parties concerned.” He is right. As was the case with Finland and the Soviet Union, Taiwan has an inherent interest in a peaceful and democratic China. Washington needs to embrace this shift not only because it serves its own long-term strategic aims in Asia and globally but also because what the Taiwanese people choose to do with their sovereign democratic power is up to them. The overburdened giant should happily watch from a distance and focus on other pressing regional and global issues.

SIDELINING UNCLE SAM

THE UNITED STATES has played a crucial role in maintaining cross-strait peace and encouraging democracy in Taiwan since 1949. Today, the U.S. role in this process is nearing its end. U.S. policy toward a Finlandized Taiwan will have to be adjusted both strategically and diplomatically. Expanded official contacts with Taiwan will require consultations with Beijing; the United States and its allies will have to refashion battle plans to exclude Taiwan; Washington will have to support the new approach to cross-strait peace through its public diplomacy; and U.S. intelligence agencies will have to be more careful about scrutinizing technology transfers to the island because the PRC’s intelligence gathering on Taiwan will inevitably expand. Most important, Washington will have to significantly scale back its arms sales to Taipei.

In 1982, the United States pledged to China that it would reduce its arms sales to Taiwan—a promise that it has conspicuously broken ever since. Today, as then, there is a golden opportunity to demilitarize the conflict. The U.S. Congress is not particularly interested in pressing President Barack Obama on the issue, and Taiwan’s economic decline has moderated Taipei’s appetite for major arms purchases anyway. In the past, sales of fighter jets, destroyers, tanks, and missiles to Taiwan were premised as much on the political message they sent to Beijing as on their tactical value. In the new climate, Washington can reinforce the *détente* by holding back planned sales of items such as Black

Hawk helicopters, Patriot missiles, and additional fighter jets. The Pentagon must view the shift not as simply a minor adjustment due to reduced cross-strait tensions but as a wholesale rejection of the vision of Taiwan as a militarized base within the U.S. strategic orbit.

By signaling that Washington is finally respecting China's territorial integrity, these reductions could, in turn, lead to verifiable force reductions by China, as well as to an end to its Taiwan-focused military attack drills. Removing Taiwan as a major player in the United States' Asian security strategy would have ripple effects on U.S. strategy in the region as a whole. Indeed, it is likely that Asian-only security organizations, such as the ASEAN Regional Forum, would increasingly take the lead in defining Asia's future security architecture.

The arguments in favor of Finlandization are stronger today than ever before: a Finlandized Taiwan would play a much more transformative role in China itself, thus improving the chances of a peacefully rising China. As was the case for Finland in its relations with the Soviet Union, Taiwan could create a model for the peaceful resolution of China's many resource, boundary, and military conflicts throughout Asia. More broadly, the Taiwan-China détente is a test of liberal approaches to international relations—specifically, the notion that a broad integration of domestic interests will pacify relations between states far more than a militarized balance of power.

Taiwan has always been a frontline state in the rivalry between Washington and Beijing. In the past, that meant the United States' fending off China's plans to invade Taiwan and defying Beijing's opposition to the island's democratic development. Today, with Taiwan's territory secure and democracy consolidated, Taiwan's role on the frontlines is changing again. It is now Washington's turn to confront and adapt to this historic shift. 🌐