

CHAPTER 13

Cross-Strait Confidence Building: The Case for Military Confidence-Building Measures

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INTRODUCTION: WHY CROSS-STRAIT CONFIDENCE-BUILDING MEASURES ARE NEEDED

Political relations across the Taiwan Strait remain at an impasse, and prospects for resumption of cross-strait dialogue are dim, at least in the near term. Beijing continues to insist that Taiwan President Chen Shui-bian accept the existence of one China as a precondition for reopening talks. President Chen has raised the possibility of a future one China and also has talked about the creation of a “new framework of permanent peace and political integration.” He remains unwilling, however, to consider returning to the 1992 Consensus on one China that was reached by representatives of the two sides in Singapore almost a decade ago. Since Chen’s election as president, the mainland has adhered to a policy of “listening to his words and watching his deeds.” Barring a radical shift in Chen’s policy toward cross-strait relations, Beijing is unlikely to abandon this approach. Thus, a near-term breakthrough in cross-strait relations is unlikely.

Despite the lack of progress on the political front, cross-strait trade and economic ties are growing apace, and people-to-people contacts are expanding. In January 2001, Taipei opened the three mini-links of direct trade, transport, and postal services between its outlying Kinmen and Matsu islets with

selected Fujian ports. Direct links are likely to be gradually broadened following both sides' entry into the World Trade Organization. Two-way trade between the mainland and Taiwan reached \$30 billion in 2000, making Taiwan China's sixth-largest trading partner. Taiwanese firms have invested a total of U.S. \$50 billion in the mainland since the late 1980s. One-fifth of that amount has been invested in the past two years. Investment will likely increase in the wake of Taipei's decision in August 2001 to gradually lift controls on cross-strait economic and trade exchanges, including scrapping the \$50 million ceiling on individual mainland investment cases. The People's Republic of China (PRC) benefits from the infusion of Taiwanese capital, technology, and managerial and marketing skills, whereas Taiwanese firms depend increasingly on access to the mainland as a market and production base.

The expansion of trade and economic and social contacts across the Taiwan Strait should provide reason to be cautiously optimistic that a peaceful solution between the people on both sides of the strait can eventually be worked out. Any optimism must be tempered, however, in view of the apparent acceleration of the militarization of the relationship between China and Taiwan. The PRC is developing the capability to apply military pressure on Taiwan, not only through deployment of ballistic missiles, but also through development of conventional air and naval forces as well as land-attack cruise missiles. In addition, China seeks the capability to deter the United States from intervening in a crisis on Taiwan's behalf. Beijing continues to refuse to renounce the use of force against Taiwan because it views the threat of force as the only effective means of deterring Taipei from declaring independence. To meet the growing military threat and resist coercion from China, Taiwan is seeking to acquire more advanced weapons systems, including the Aegis combat system as well as missile defense capabilities. Moreover, there is discussion in Taiwan about the need to develop counteroffensive capabilities to deter and defend against an attack by the mainland.

The crisis in the Taiwan Strait in 1996 when China fired missiles into the waters off Taiwan underscored the danger of growing tensions between Beijing and Taipei. Since cross-strait relations remain unstable, a repetition of that crisis is easily imaginable. In addition, the possibility that an accident could escalate to conflict is growing. Increased sorties by the PRC and Taiwan fighters in the Taiwan Strait—including jets occasionally crossing the midline that demarcates the air space of the two sides either inadvertently or deliberately—pose such a risk, especially in the absence of a communications link between the two militaries that could be employed in a crisis to clarify both sides' intentions.

It is in the interests of Washington, Beijing, and Taipei to prevent armed conflict in the Taiwan Strait and, if possible, slow the trend toward a costly and potentially destabilizing arms competition. Construction of a stable set of cross-strait relationships can serve to ease tension and inhibit crisis. This is already taking place to a limited extent in the economic and cultural spheres.

To make further progress in this direction, steps might be taken between the two defense establishments to build trust and minimize the chances of an armed clash arising from misunderstanding or miscalculation. The implementation of cross-strait military confidence-building measures would serve this end and would be a win-win achievement for Taiwan and the mainland.

While negotiations of thorny political issues such as sovereignty will be arduous, especially in the near term, confidence-building measures (CBMs) are relatively easy to negotiate and to implement. They can be tacit and informal and based on mutual consensus without formal, legally binding agreements. As such, they are ideally suited to the Taiwan situation. Cross-strait CBMs could begin with an initial phase of unilateral declaratory measures that evolves into a succession of reciprocal declaratory statements and actions. This could be followed by modest, easy-to-negotiate bilateral initiatives and gradually build to more complicated and advanced measures. Substantial progress in the implementation of military CBMs and the creation of a genuine confidence-building dynamic presupposes significant improvement in political relations between the two sides, however.

This chapter begins addressing the subject of cross-strait confidence building by discussing definitions of CBMs and providing a brief history of CBMs in Europe and their application in the Asia-Pacific region. This is followed by some examples of CBMs between nonstate parties. Subsequent sections assess factors that complicate cross-strait confidence building, PRC wariness of cross-strait CBMs and military confidence building with Taiwan, and prevailing incentives for China to proceed with CBMs despite its concerns. The risks and benefits for Taiwan in pursuing cross-strait CBMs are subsequently analyzed, and the positions of the Taiwan government past and present on implementing cross-strait CBMs are discussed. The role of the United States in a cross-strait confidence-building process is also addressed. Finally, a road map of possible cross-strait CBMs is presented in three phases, beginning with unilateral, declaratory measures and preliminary military CBMs aimed at reducing the risk of conflict due to miscalculation or accident. Mid- and long-term phases consisting of more advanced CBMs are outlined that presuppose an improved political atmosphere as well as a higher degree of trust across the strait than currently exists.

DEFINING CBMS

There is no single, universally accepted definition of CBMs, which are also sometimes referred to as confidence- and security-building measures (CSBMs). Some definitions are quite broad, encompassing a multitude of trust-building initiatives across the spectrum of relations between two hostile states or parties. The Confidence and Security Building Measures Working Group of the Council for Security Cooperation in the Asia-Pacific (CSCAP) uses an expansive definition that includes “both formal and informal measures, whether uni-

lateral, bilateral or multilateral, that address, prevent, or resolve uncertainties among states, including both military and political elements.”¹ In this definition, CSBMs include virtually any measures that contribute to a reduction of misperception, suspicion, and uncertainty. These measures do not necessarily have to be directly concerned with security, but their combined impact contributes to a lessening of tension and an increase in trust.²

CBMs can also be defined more narrowly as initiatives designed to make military intentions more explicit by increasing transparency and predictability, thus reducing the risk of accident or miscalculation.³ This objective is achieved by such steps as the exchange of information about each other’s military activities and doctrine, contacts between militaries, and communication measures such as the setting up of hot lines and the establishment of conflict-prevention centers. Notification and mutual observation of military maneuvers and missile tests can also be beneficial in building trust. Once confidence levels have reached a relatively advanced stage, constraining military operations can also play an important role. However, constraining measures in the CBM context are not binding to the extent that legal treaties are and therefore must be differentiated from arms control/limitation measures.

The history of confidence-building efforts demonstrates that CBMs need to be tailored to the distinctive geographical, political, and cultural environments prevailing in a given region or situation. In the European experience, CSBMs have focused more narrowly on initiatives in the military/security sphere. In the Asia-Pacific region, both narrowly defined military measures and more broadly defined political, economic, humanitarian, and environmental measures have been applied.

Taipei and Beijing can benefit greatly from the implementation of CBMs that avert misperception and misunderstanding that can escalate to military conflict. The establishment of communication links (hot lines) between the two militaries could substantively contribute to the avoidance of miscalculation in a crisis. In addition, an explicit agreement on rules of engagement for jet fighters that includes refraining from flying across the invisible central line of the strait or conducting provocative flights against each other could minimize the risk of an air battle breaking out due to misjudgments made by pilots. More fundamentally, however, the cross-strait situation requires an approach that can alter the existing hostile images and perceptions. Gradual steps are needed that can transform negative perceptions and build a less-hostile and eventually cooperative relationship.

A prerequisite for successful implementation of CBMs is that both sides believe that it is in their national interest to reduce uncertainties, avert accidents that could escalate to conflict, and make relations more predictable. There must be political will to proceed. For the process of confidence building to get underway between Beijing and Taipei, both must hold the judgment that the benefits to be gained outweigh the risks associated with cooperation

or the unilateral advantages to be gained by not cooperating. As Ralph Cossa has noted, “CBMs must be viewed in ‘win-win’ not ‘win-lose’ terms.”⁴

A BRIEF HISTORY OF CBMS

CBMs were sporadically used in the first half of the twentieth century as a means of reducing tension and increasing transparency of military intentions. European militaries allowed observers from other states to watch exercises prior to World War I, and the Versailles Treaty included provisions establishing military liaisons to increase Allied coordination. Though historians differ about what early efforts constitute CBMs, many agree that overtures by the United States to the Soviet Union, beginning in the 1950s, represent the first significant generation of CBMs.

In 1955, President Dwight D. Eisenhower proposed the Open Skies Treaty, an agreement permitting overflights of military facilities and exchanges of blueprints. Though the Soviet Union rejected this offer at the time, it is regarded as one of the first efforts to promote military transparency during the Cold War. The United States also proposed a hot line with the Soviet Union to improve crisis management after the Cuban missile crisis. Along the same vein, the United States and Soviet Union signed several agreements in the early 1970s to reduce the risk of accidental nuclear conflict by improving nuclear infrastructure, early-warning systems, and communication channels. CBMs played a critical role in avoiding conflict and building trust in East-West relations.

These bilateral efforts were only a precursor to the watershed event in the history of CBMs—the signing of the Helsinki Final Act in 1975 by the members of the Conference on Security and Cooperation in Europe (CSCE), a multilateral organization encompassing all of Europe besides Albania and including the United States, Canada, and the Soviet Union. In the Helsinki Final Act, the CSCE agreed to institutionalize confidence-building measures as a means of promoting European security. Specifically, the Helsinki Final Act required prior notification of military exercises of a certain size and exchange of observers. Though these provisions were not strictly adhered to, these meetings and future discussions spurred the Conference on Confidence and Security Building Measures and Disarmament in Europe in Stockholm, the most extensive CBM agreement ever reached.

After two years of negotiations, the Document of the Stockholm Conference was signed in 1986. The document outlines five CBMs: prior notification of military activities, observation of military activities, annual calendars, and verification and compliance. The Stockholm Document is especially significant because it included extensive verification procedures that created a greater level of enforcement to CBMs with far-reaching implications for European militaries.

The United States and Soviet Union continued to experiment during the late 1980s with CBM-type agreements. These agreements built on earlier attempts to reduce the nuclear danger by establishing nuclear risk-reduction centers to improve information exchange. These efforts at reducing East-West tension continued in the early 1990s with the signing of several agreements in Vienna that provided additional notification requirements on military exercises and added some constraints on allowable military movements.

In the post-Cold War period, nations and parties in other regions sought to adapt the European experience to their own situations and implemented CBMs to reduce uncertainty and avoid unintended conflicts. States and hostile parties in the Middle East, South Asia, Latin America, Africa, central Asia, and the Asia-Pacific have employed CBMs to promote stability.

ASIA-PACIFIC CBMS

CBMs have been widely employed in the Asia-Pacific region in unilateral, bilateral, and multilateral contexts. In contrast to the European approach to CBMs, Asia-Pacific states have opted for largely informal attempts to foster dialogue instead of binding agreements. Asian nations have created several multilateral fora to discuss issues of regional concern. The primary multilateral track I efforts include the Association of Southeast Asian Nations (ASEAN) and its larger cousin, the ASEAN Regional Forum (ARF), a multilateral forum for security dialogue that was created in 1994. Both are consensus-driven organizations that have taken a gradual approach to CBMs and preventive diplomacy.⁵ The ARF has focused its efforts on several important security issues in the Asia-Pacific region, including piracy, environmental threats, and maritime shipping coordination. ASEAN ministers concluded an agreement in 1996 to establish a regional code of conduct for the South China Sea to enable multilateral cooperation against piracy and drug trafficking without involving disputed territorial claims. ASEAN members are currently working on formulating a broader code of conduct to deal with disputes.

Nongovernmental actors have also played an important role in CBMs in the Asia-Pacific region. The Council for Security Cooperation in the Asia Pacific (CSCAP) is one of the largest nongovernmental, track II efforts to encourage dialogue by regional experts on Asia-Pacific security challenges. In February 2001, CSCAP issued a memorandum on Cooperation for Law and Order at Sea, which was written by members of its working group on maritime CBMs. Other regional track II efforts include the Northeast Asia Cooperation Dialogue and the South China Sea Informal Meeting. Both groups provide a setting for informal dialogue on their respective issues.

Asian nations have also conducted CBMs bilaterally. Singapore and Malaysia signed a Memorandum of Understanding in 1995 that established the Malaysia-Singapore Defence Forum, an institutionalized military dia-

logue where high-level officials discuss areas to improve defense cooperation and interaction. Singapore and Malaysia have used these contacts to reduce lingering suspicion after their political separation in 1965 and to coordinate greater levels of joint defense cooperation and training.⁶

Japan has also been active in using CBMs to reduce regional tension, often through declaratory measures. During the Cold War, Japan largely relied on unilateral declarations renouncing war and nuclear weapons to attempt to allay regional fears of a resurgent Japanese military. Japan has continued these declaratory statements, while also pursuing bilateral CBMs. Despite lingering territorial disputes and the absence of a peace treaty, Japan and Russia have established annual policy-planning talks along with ministerial and military exchanges. Partly as a result of these discussions, Japan and Russia signed an Incidents at Sea Agreement in 1993 and have also engaged in maritime search and rescue cooperation.⁷ These efforts to facilitate dialogue between the two nations have reduced tensions and made cooperation in other disputed areas of the relationship more feasible.

Japan and South Korea have also engaged in military CBMs in the 1990s, primarily in the naval arena. South Korea made its maiden port call to Japan in 1994, and the two nations established a military hot line soon after. These initial steps led to regularized ministerial meetings and academic exchanges. Contacts between Japan and South Korea's military have grown in recent years as formal dialogue at higher levels and commitments to joint naval exercises have been undertaken.

In addition to East Asia, CBMs have also been widely used in South Asia. The dispute between India and Pakistan over Kashmir is an explosive territorial conflict that has sparked three wars and is generally regarded as posing the most dangerous threat of nuclear conflict in the near term. The nuclear detonations by India and Pakistan in 1998 only highlight the importance of injecting confidence into the India-Pakistan relationship. India and Pakistan have experimented with CBMs in the past to quell tensions resulting from intensified violence in Kashmir. Specifically, India and Pakistan have signed agreements to provide advance notice of military exercises, prevent violations of air space, and conduct operations in border areas.⁸

Mainland China was opposed to CBMs until the mid-1980s, but since then has gradually implemented confidence-building measures with the United States as well as with many neighboring countries. This shift is likely a result of Beijing's recognition that CBMs can be beneficial in the creation and preservation of a peaceful international environment that China deems essential for its economic development. Since the early 1990s, China and the United States have established a series of CBMs, including high-level military exchanges, military academic exchanges, reciprocal visits of naval warships, and functional military exchanges. In June 1998, Jiang Zemin and Bill Clinton signed an agreement to not target each other with their strategic nuclear weapons. In January 1998, the two sides signed a Military Maritime Consul-

tative Agreement, which calls for convening an annual meeting and for the establishment of working groups to discuss issues of mutual concern with the aim of preventing possible crises on the high seas. In the past decade, China has also implemented CBMs with India and Russia, bilaterally, as well as with Kazakhstan, Kyrgyzstan, and Tajikistan.

CBMS INVOLVING NONSTATE PARTIES

CBMs are not limited to sovereign states and have achieved some degree of success when applied between hostile parties where one or both sides are not sovereign entities. Specifically, parties to disputes, often substate political representatives or quasi-state governments, have engaged in low-level dialogue and preliminary exchanges of information in an effort to build trust and establish lines of communication. The general goal of these exchanges has been to increase the political comfort level of the parties and provide a basis for future discussion and cooperation. Over time, these informal networks can instill an operational-level trust that may spur more formalized and structural agreements. Instances in which CBMs have been implemented between hostile parties in which either one or both participants have not been sovereign states have taken place in Europe, the Middle East, Africa, and Latin America. Although these confidence-building measures have not resolved the underlying disputes in these areas, they have contributed to a reduction of violence and in some cases created an atmosphere conducive to negotiations toward a more lasting settlement.

The conflict over the political status of Northern Ireland is historically one of the most hotly contested political disputes. The United Kingdom and various nonstate representatives of the inhabitants of Northern Ireland, particularly Sinn Fein and the Ulster Unionists, have achieved substantial progress in recent years in addressing the governance of Northern Ireland, partly due to the contribution made by CBMs. The United Kingdom and political factions within Northern Ireland have engaged in extensive CBMs to create the necessary political will and trust to initiate and follow through with the Ulster peace process and implement the Good Friday Agreement. Early CBMs included secret dialogue between the Irish Republican Army (IRA) and an emissary of the British Government from 1990 to 1993 and later public talks between John Hume and Gerry Adams, which kick-started the process in 1993 and 1994. Both sides used declaratory pledges of nonviolence to convince the opposing sides of their willingness to compromise. The IRA declared a series of cease-fires in response to British attempts to scale back Britain's military presence in Northern Ireland, eliminate internment powers, and increase the rights of inhabitants.

Following the signing of the Good Friday Agreement in 1998, both sides have gradually moved toward implementation of their obligations. In the Northern Ireland case, U.S. mediation has played a crucial role in encouraging public statements supporting a nonviolent resolution of the dispute.

Small-scale moves have been used to boost confidence and indicate a willingness to honor the agreement. Recently, the IRA has allowed inspections of arms bunkers by international weapons inspectors to signal their commitment to decommissioning weapons, a critical step in removing the threat of force from the political dispute over Northern Ireland. Though these efforts fall short of formal verifiable decommissioning, they are nevertheless an important step in convincing the United Kingdom of the IRA's desire for peace. The Northern Ireland example illustrates the critical role of initial dialogue for increasing understanding and the importance of CBMs throughout the process of negotiation and implementation.

Israel's negotiations with the Palestine Liberation Organization (PLO) provide another prime example of CBMs between a state and a nonstate political representative of the population. Stretching back to the Camp David Accords of 1978, it was agreed that Israel, Jordan, Egypt, and representatives of the Palestinian people should participate in negotiations on the resolution of the Palestinian problem. Real negotiations with the PLO did not materialize until 1993, when Israeli Prime Minister Rabin and Yasir Arafat signed the Declaration of Principles, which contained a statement on mutual legitimate existence, thus in effect recognizing the PLO as the legal representative of the Palestinian people. In a gesture aimed at building trust, Israel released Palestinian political prisoners. This initial agreement led to the Interim Agreement on the West Bank and Gaza Strip in 1995, which included a Palestinian pledge to revoke those articles of its covenant calling for the destruction of Israel. These early efforts, along with steps by the Israeli police and military forces to moderate their treatment of Palestinians and increase freedom of movement, helped engender trust between the two sides and provided a modicum of political will necessary to reach a broader agreement.

Unfortunately, these efforts have unraveled in recent years. The assassination of Prime Minister Rabin dealt a serious blow to supporters of the peace process within Israel and eliminated one of the few Israeli politicians with sufficient stature and willingness to advance the peace process. The efforts of his successor, Prime Minister Ehud Barak, were met with substantial public skepticism, and a renewed campaign of terror has undermined the efforts of diplomacy and confidence building. The failure of CBMs to promote an enduring peace and build confidence between Israel and the PLO demonstrates the potential pitfalls involved and underscores the necessity that both parties have political will to proceed and are committed to the confidence-building process.

FACTORS THAT COMPLICATE CROSS-STRAIT CONFIDENCE BUILDING

There are factors in the cross-strait situation that make the implementation of CBMs especially challenging. These factors need to be understood, but they do not necessarily pose insurmountable obstacles to progress.

- China and Taiwan have asymmetrical threat perceptions. Taipei is concerned about a military attack launched by the mainland and is also worried that the Chinese may use military means to coerce the island into accepting the PRC's terms for political negotiations. Beijing is fearful that Taiwan is drifting toward separation from the mainland and may eventually declare formal independence. The PRC views its military buildup against the island, in part, as necessary to deter such an outcome.
- There is a huge disparity between the two sides' military forces, both in terms of numbers and in power projection capability (as well as nuclear capability). China has developed and deployed offensive military capabilities against Taiwan. Taipei primarily has defensive weapons and capabilities.
- China has so far judged that its interests are best served by keeping Taiwan off balance, rather than by enhancing Taiwan's sense of security.
- China views the threat of force as essential to deter Taiwan independence, which is an obstacle to agreement that neither side will initiate use of force against the other. Beijing outlined the conditions under which it would resort to force against Taiwan in its white paper on Taiwan that was released in February 2000.
- Beijing insists that the cross-strait relationship is an internal affair. China opposes international mediation efforts, which may rule out the possibility of external diplomatic assistance and, possibly, third-party verification of CBMs.
- China is not inclined to be transparent in the field of military affairs, although the Chinese have made some progress in this regard in recent years. China has published two white papers on national defense, the first in 1998 and the second in 2000. In 1995, it published a white paper on China's arms control and disarmament. Taipei has increased transparency by publishing white papers on national defense every two years since 1992 that, by comparison, contain more detailed facts and figures about its armed forces and defense budget.
- Taipei has had little opportunity to develop expertise in arms control. Since it is not recognized internationally as an independent, sovereign state, Taiwan has not been able to participate in multilateral arms control fora such as the Conference on Disarmament. It is not a signatory to international arms control treaties nor a member of treaty-based intergovernmental organizations related to arms control. It has had no experience in negotiating or implementing CBMs with China or any other country. This lack of knowledge and experience has resulted in skepticism and suspicion about the benefits of arms control for Taiwan and may hamper the process of pursuing CBMs across the strait.

By contrast, the PRC has gained substantial experience in arms control in the past decade. The process of acceding to the Non-Proliferation Treaty (NPT) in 1992, signing the Chemical Weapons Convention (CWC) in 1993, negotiating and signing the Comprehensive Test Ban Treaty (CTBT) in 1996, and participating in the Conference on Disarmament in Geneva has provided Chinese officials with a great deal of knowledge about international arms control norms and practices. U.S.-Chinese discussions of arms control and non-proliferation have also significantly contributed to China's understanding of these issues. China has also gained experience in CBMs through the negoti-

ation and implementation of the Shanghai Accord with Russia and the Central Asian Republics (Kazakhstan, Kyrgyzstan, and Tajikistan) and the New Delhi Accord with India. These agreements have resulted in programs for military exchanges and various border agreements, including the establishments of hot lines, border demarcation negotiations, prior notification, and restriction of military maneuvers and troop movements along the borders.

MANAGING CHINESE CONCERNS AND POTENTIAL REACTIONS

China is likely to resist discussion of CBMs with Taiwan, at least initially. Since CBMs historically have been most often applied between two sovereign states and Beijing's CBM experience has been confined to its relations with other sovereign states, China will fear that the very act of agreeing to hold CBM talks with Taipei would bestow upon Taipei an actual international position or provide opportunities for Taipei to promote itself as an independent country in the international arena. Beijing may seek to obtain a statement from Taiwan on the existence of one China as a precondition to engaging in CBM discussions.

The Chinese may also be wary that U.S. efforts to promote cross-strait CBMs are part of a broader strategy to perpetuate the separation of Taiwan from the mainland. There is a widely held assumption in China that the United States opposes reunification of Taiwan with the mainland and that American policies are aimed at either preserving the status quo or supporting Taiwan independence. In a worst-case scenario, Chinese concerns could adversely affect Beijing's cooperation with Washington in arms control and nonproliferation since China continues to link U.S. policies toward Taiwan with Chinese willingness to cooperate on proliferation and arms control matters.

If progress toward cross-strait CBM implementation is to be achieved, it is therefore important to understand Chinese concerns and then consider whether and how to assuage Chinese worries. To persuade Beijing of its sincerity in embarking on a confidence-building process across the strait, Taiwan should avoid using CBMs to elevate its international status or promote the island's existence as a separate state. This would undermine the entire confidence-building process, even though it might be politically popular domestically. It would also risk sending the signal to Washington that Taipei is not seriously interested in stabilizing the situation across the strait. Instead, Taipei should seek to craft CBM proposals with an eye to strengthening China's perception that Taiwan is not seeking the establishment of two separate states. Taiwan should also be willing to refrain from trying to participate in ongoing multilateral CBMs and dialogues from which Beijing has excluded Taipei until progress is made bilaterally. Statements of U.S. support for cross-strait CBMs should stress the goals of boosting confidence and understanding between China and

Taiwan and minimizing the possibility of conflict resulting from miscalculation or accident.

China will also likely suspect that U.S. support for arms control education and training for Taiwan officials is linked to an effort to forge closer U.S.-Taiwan military ties. The Chinese already fear that the United States and Taiwan are covertly planning to develop operational military links. This concern has been fueled in part by discussion of U.S. provision of advanced theater missile defense systems to Taiwan and Taipei's interest in acquiring Aegis-equipped destroyers that may serve as a future platform for upper-tier Theater Missile Defense (TMD). A transparent approach with Beijing that emphasizes the limits of U.S. involvement and the benefits for Taiwan and China of employing CBMs to enhance cross-strait stability may ease Chinese concerns to some extent.

INCENTIVES FOR CHINA TO ENGAGE IN CBMS WITH TAIWAN

Though Beijing will no doubt have reservations and suspicions, the Chinese leadership also has reasons to view the opening of a dialogue and subsequent implementation of cross-strait military CBMs as potentially beneficial to Chinese interests. First, the preservation of peace and stability in China's periphery remains the backbone for the country's stable economic development. Beijing and Taipei both share a strong interest in minimizing the risk of accidental war in the Taiwan Strait. Second, engaging in cross-strait CBMs could shore up domestic support for the Chinese leadership, especially if the confidence-building process is perceived internally as promoting reunification with Taiwan. Third, cross-strait CBMs would diminish the concerns of the people on Taiwan about China's bellicose intentions toward the island that have been especially prominent since the 1995-96 missile firings. Beijing asserts that its one country, two systems proposal is intended to reassure the people on Taiwan that they can preserve their way of life and remain secure. If China truly seeks to strengthen the sense of security of Taiwan's people, then CBMs are a good means to achieve that goal.

A fourth benefit for Beijing in implementing military CBMs with Taiwan is the promotion of dialogue and interaction between the Taiwan and PRC militaries. In the past few years, the expansion of contact across the strait has been limited primarily to academics, business people, scientists, and cultural and tour groups. Initiating contact between the two sides' militaries will provide a new channel for cross-strait interaction. Moreover, under Beijing's one country, two systems proposal for reunification, Taiwan would retain its military forces after reuniting with the mainland. The early promotion of mutual contact between the two defense establishments to lay the groundwork for future cooperation and coordination should therefore be in Chinese interests. A fifth advantage of CBMs for China is the possibility that significant progress in confidence building between the two sides of the strait, if accom-

panied by a reduction in the Chinese military threat to the island, would, over time, reduce pressure on the United States from Taipei as well as from members of Congress to sell more weapons to Taiwan.

The Chinese are not irrevocably opposed to engaging in cross-strait military CBMs. In fact, prior to former Taiwan President Lee Teng-hui's public remark characterizing relations between Taiwan and China as those between two sovereign states in July 1999, the People's Liberation Army (PLA) was conducting research into cross-strait CBMs and the possibility of opening contacts with Taiwan's military. According to a senior colonel from China's National Defense University, the PLA sees an opportunity in the development of cross-strait military contacts to bolster the role of the Taiwan military, which, like the PLA, is staunchly opposed to independence for the island. The same senior colonel pointed to the common position held by Beijing and Taipei on Chinese ownership of the Spratly Islands as a basis for dialogue between the PLA and the Taiwan military.⁹

In an unpublished paper, another retired PLA senior colonel from the General Staff advocated that both sides of the strait explore CBMs in the political, economic, and military realms.¹⁰ Some of the specific CBMs he cited include the establishment of a hot line between leaders as well as local commanders, the conduct of joint military exercises in the coastal strait areas, the provision of advance notification of major military exercises and military deployments, the conduct of regular visits by senior military leaders, the holding of port calls for naval ships, the exchange of observers to military exercises of the other side, cooperation in maritime safety measures and the establishment of joint rescue procedures, and joint reaffirmation of the no-flying line in the center of the Taiwan Strait. The precondition for pursuit of CBMs, according to the retired PLA officer, is Taiwan's acceptance of Beijing's one-China principle.

In the same unpublished paper, the retired PLA officer put forward his view that the mainland should agree to freeze its deployment of Short Range Ballistic Missiles (SRBMs) along the coast in exchange for a Taiwan declaration to freeze its purchase of military weapons from abroad. Though such a trade-off would not place limits on the mainland's growing air and naval threats to Taiwan and thus would not be in Taipei's interests, it nevertheless holds out the possibility that mutual constraint measures could be negotiated if and when there is a high level of confidence attained between the two sides of the strait. Although it is uncertain whether the PLA officers' views and recommendations are shared by others in the PLA or the senior Chinese leadership, it is nevertheless significant that some PLA experts are considering cross-strait CBMs and are making specific suggestions in internally circulated papers.

BENEFITS AND RISKS FOR TAIWAN

The negotiation and implementation of military cross-strait CBMs should be done gradually and cautiously. Comprehensive assessments should be con-

ducted of each proposed CBM, including the possible dangers that any measure could pose for Taiwan's national security. Only CBMs with a good chance of successful implementation should be pursued to reinforce the overall objective of increasing mutual confidence and reliability. In general, however, CBMs involve few risks. They are informal and not binding so can be halted if deemed necessary in response to a violation or provocation from the other side.

Like China, Taiwan would profit from the implementation of CBMs that reduce the risk of miscalculation and escalation of incidents in the air or at sea. The opening of a dialogue between the two sides' militaries could lessen misunderstanding and remove misperceptions. Advocacy of CBMs by Taipei, along with positive declaratory statements demonstrating Taiwan's sincere intentions, will put pressure on China to appear more reasonable in the eyes of the international community. Taiwan's declared interest in discussing cross-strait CBMs with the mainland would no doubt be viewed by the United States as a constructive step that is conducive to the easing of tension between the two sides of the strait.

Backing a CBM agenda with the mainland will also likely receive domestic approval in Taiwan. Public opinion polls show that the majority of the Taiwan people support reduced tension with China and hope that their government will improve cross-strait relations. Of course, if there is no reciprocity from the mainland, then the Taiwan government could be vulnerable to charges of making too many concessions to Beijing. Therefore, Taipei should proceed slowly, in a step-by-step manner. President Chen Shui-bian has already followed a course of seeking to persuade Beijing of Taiwan's good will toward the mainland. Confidence-building initiatives would be compatible with this policy.

Specific military CBMs could carry small risks. For example, information exchange can be used to spread disinformation that would provide China with an advantage in a military crisis. There is also the risk that information being passed is incomplete, for example on weapons inventories, but the sharing of partial information is still preferable to the provision of no data at all. Agreement on measures that constrain the military activities and deployments of both sides, which would likely only be considered at an advanced stage, holds the risk of cheating or violations and thus should include appropriate verification provisions.

Of greatest concern to Taipei is probably the possibility that the implementation of CBMs with mainland China may result in reduced support in the United States for selling arms to Taiwan. If a pattern of confidence building across the strait takes hold and the PRC military threat to the island begins to ease, it is inevitable that the issue will come to the fore of whether and how United States arms sales to Taiwan should be modified to contribute to the process of improving cross-strait relations. The mainland will almost certainly argue that continued advanced weapons sales to Taiwan are undermining the positive trend in cross-strait relations. Beijing's urgency to reduce U.S. weapons

sales to Taiwan would, however, likely diminish if the political atmosphere in cross-strait relations has improved and CBMs are being implemented.

Cross-strait CBMs that establish communication channels, provide for greater transparency of military activities, procurements, and deployments, and improve maritime safety will not likely have any appreciable impact on political support in the United States for arms sales to Taiwan. If the PRC indicates a willingness to lessen the military threat it poses to Taiwan by such steps as reducing its power projection forces and deployments opposite the island, then the issue of whether to modify or curtail U.S. weapons sales may arise. Chinese willingness to take such major steps, however, would likely presuppose an advanced degree of reconciliation between the two sides and a possible agreement on political arrangements.

FACTORS FAVORABLE TO CBM IMPLEMENTATION ACROSS THE STRAIT

The extensive European experience of confidence building through the CSECE process suggests that CBMs simply cannot work in the absence of a political decision to attempt to alter the negative security relationship between the relevant parties. There must be a shared desire to move, however slowly, from misunderstanding and suspicion, to mutual reassurance, and, from there, toward active cooperation. CBMs are tools to help promote positive interactions in the pursuit of a new security relationship.

Although the process of cross-strait discussion and implementation of bilateral CBMs will no doubt be long and arduous, there are reasons that the two sides may find compelling to initiate a process of confidence building:

- There is no hostility between the people on either side of the strait. They have a similar origin, culture, and language. With the exception of small number of aboriginal people, the vast majority of Taiwan's 22 million inhabitants are of Han Chinese ancestry. Eight percent of those immigrated to Taiwan from the mainland in the beginning of the sixteenth century; 20 percent arrived after the Communists defeated the Nationalist government in 1949. Taiwan culture has its roots in the mainland, and both peoples speak the same language (along with other dialects).
- People-to-people interaction between China and Taiwan has been expanding rapidly, especially in the business and cultural fields. Trade and economic relations have also continuously increased in the past decade. Politically, China has assiduously sought to develop contacts with Taiwan's opposition parties in the past year. Developing contact between the two militaries can be viewed as an extension of the process underway of broadening cross-strait contacts.
- Both seek to avoid war and increase economic prosperity. Escalation to conflict is bound to harm economic development on both sides of the strait. The proximity of the PRC's and Taiwan's naval and air forces operating in and around the strait increases the likelihood of accidental encounters. The modernization of PRC forces will further raise the chances of accidents occurring between the two sides' military

forces. The absence of effective communication channels and mechanisms for crisis management significantly increases the possibility of conflict as a consequence of misunderstanding or miscalculation.

- China's recent emphasis on making positive overtures to those in Taiwan who favor one China and wooing Taiwan investors shows a recognition that reliance on military threats and bellicose rhetoric undermines Beijing's goal of peaceful reunification.
- Whereas in the past Beijing agreed to open negotiations with Taiwan as a provincial government, China's new position that both the mainland and Taiwan are part of one China suggests that China will accept Taiwan as an equal partner at the negotiating table. This should make discussion and implementation of CBMs easier than in the past.
- Initial contacts between the two militaries have already taken place with the visits of retired military officers from Taiwan to the mainland to hold discussions with military and civilian specialists at such institutions as the PLA's National Defense University and the PLA General Staff's China Institute of International Strategic Studies.

TAIWAN'S POSITION ON CROSS-STRAIT MILITARY CBMS

Taiwan President Chen Shui-bian has expressed interest in the establishment of a mutual CBM with China. In his election victory speech on March 18, 2000, President Chen explicitly endorsed the pursuit of cross-strait military CBMs, stating that “[w]ith the prerequisite of ensuring state security and the people's interests, we are willing to negotiate on cross-strait direct transportation and trade links, investment, a peace agreement, a military mutual-confidence-building mechanism, and other issues.” Since his inauguration, President Chen has called for “the establishment of a Taiwan Strait conflict management and prevention mechanism to maintain regional peace and stability.”¹¹

Prior to Chen Shui-bian's election, his Democratic Progressive Party published a white paper on national defense that included a lengthy section on cross-strait CBMs.¹² CBMs were portrayed as a means of averting conflict as a result of accident or miscalculation as well as an instrument to build trust and foster good will between the two sides of the strait. The white paper specifically espoused the implementation of transparency measures, including prior notification of military exercises and troop movements, exchange of military information, and open publication of military research and weapons purchases and sales. It also called for the implementation of maritime safety measures, including maritime emergency assistance and cooperation to capture maritime criminals and handle fishing disputes. Other CBMs, such as the establishment of a military hot line, exchanges of military personnel, and jointly working out rules of engagement for Taiwan and PRC forces, were also mentioned in the white paper.¹³

Taiwan's leading opposition party, the Kuomintang (KMT), also favors discussing cross-strait CBMs with the mainland. When President Lee Teng-hui

was still in office, he stated on April 9, 1999, that “there are many mechanisms that can be used to achieve peace across the Taiwan Strait. We can also discuss military issues, including the possibility of using military CBMs.” A year earlier, Premier Vincent Siew had first proposed exchanging information on military exercises with the mainland and establishing military CBMs to promote military transparency and avoid miscalculation.¹⁴ KMT presidential candidate in the 2000 elections Lien Chan also endorsed negotiation of CBMs with the mainland. “While intensifying our defense war readiness to cope with the worst case of war, I deeply hope in the future for an active development and building of cross-strait military confidence-building forces,” Lien Chan said. “Through engagement and understanding between the concerned personnel, I aspire to resolve conflict, even setting up a notification and verification system and hot line for mutual military exercises, to avoid unnecessary irritation and overreaction.¹⁵

Taiwan military leaders have also spoken out in favor of implementing cross-strait CBMs and cooperating with the PLA. For example, Defense Minister Wu Shi-wen noted that although the two sides of the Taiwan Strait have not established a military dialogue mechanism, there is room for cross-strait CBMs. Wu specifically called for the two sides to begin cooperating in non-political humanitarian operations such as emergency rescue or maritime and air disaster relief work. “The two sides could then gradually forge mutual trust through cooperation in both non-military and military fields,” he added.¹⁶ Taiwan’s most recent national defense white paper, released in August 2000, mentioned for the first time the military’s plan to promote the establishment of a mutual trust mechanism with mainland China’s PLA.¹⁷

On July 6, 2000, Taiwan’s Ministry of National Defense sponsored a seminar on the proposed establishment of a mechanism for military exchanges across the Taiwan Strait. The seminar brought together government officials, industry executives, scholars, and experts to discuss the feasibility of establishing a cross-strait military mutual trust mechanism as part of overall cross-strait CBMs. The agenda also included the possible impact of the proposed cross-strait military mutual trust mechanism on the Republic of China’s national security. According to a Ministry of National Defense spokesperson, the seminar marked just an initial step in mulling the feasibility of developing a military exchange or mutual trust mechanism with mainland China.¹⁸

ROLE OF THE UNITED STATES IN PROMOTING CROSS-STRAIT CBMS

The role of the United States in facilitating the discussion and implementation of CBMs between Beijing and Taipei should be extremely limited. Washington should not mediate between the two sides, nor should the United States propose specific CBMs for consideration. The U.S. approach should be evenhanded, and any assistance provided by the United States should be

offered to both sides. For example, the United States could help both China and Taiwan take advantage of educational opportunities in the United States to gain more expertise in arms control theory and practice in preparation for the possible opening of a Taiwan-China dialogue on CBMs. This is especially important in the case of Taiwan, which has had little, if any, training and experience in CBMs. Experts from both sides of the strait could jointly attend CBM courses at private institutions such as the Monterey Institute of International Studies or participate in CBM workshops at the Cooperative Monitoring Center at Sandia Laboratories.

The United States could also facilitate the establishment and development of contacts between the Taiwan and PRC militaries by providing a forum for discussion. Washington could encourage an American-based think tank to bring together experts from Taiwan and China in a track II conference to discuss cross-strait CBMs. Participants from both sides of the strait could include military scholars and retired military officers to explore specific CBMs that might be acceptable to both sides.

One reason that the United States should not aggressively push a CBM agenda is that doing so could create a perception in Taiwan that Washington is putting undue pressure on Taipei to negotiate with the mainland. This could make the Taiwan government vulnerable to charges that its policies have resulted in a U.S. decision to no longer abide by the Six Assurances. The Six Assurances, which successive U.S. administrations have annually reaffirmed since the signing of the August 17 Communiqué with the PRC in 1982, state that Washington (1) has not agreed to set a date for ending arms sales to Taiwan; (2) will not hold prior consultations with mainland China on arms sales to Taiwan; (3) will not revise the Taiwan Relations Act; (4) will not play any mediation role between Taipei and Beijing; (5) has not altered its position regarding Taiwan's sovereignty; and (6) will not exert pressure on Taipei to enter into negotiations with mainland China.

A ROAD MAP OF MILITARY CBMS

Confidence building is most successfully pursued as a step-by-step process that, in the early stages, focuses on unilateral declaratory measures. Once the two parties have engaged in a succession of reciprocal declaratory statements and actions, then the stage is set for preliminary bilateral efforts. Early bilateral measures should include relatively modest, easy-to-negotiate initiatives that do not exceed the level of political rapprochement existing between parties. No timetable should be set for progress toward more ambitious CBMs. Only those CBMs that have a reasonable chance of being approved by both sides should be proposed and discussed to avoid increasing suspicions.¹⁹

Below is a menu of options for possible cross-strait CBMs in three phases, short-term, medium term, and long term. Phase one is divided into two parts: declaratory initiatives and options for cross-strait military CBMs that can be

considered at the present time in the absence of a significant reduction of political tensions across the strait. Phase two options assume improvement in the larger political relationship between Beijing and Taipei. Phase three options include ambitious CBMs that would require a high level of trust between the two sides.

Phase One: Declaratory Initiatives

Declaratory measures are public statements that set out one party's position on a particular issue in such a way that it reassures the other party. They usually begin as unilateral initiatives and, over time, may be reciprocated by the other side, thereby promoting a broader confidence-building dynamic. Declaratory measures pose little or no risk to national security, but can serve important political ends, both domestically and internationally. Statements that clarify one side's position or intentions put the onus on the other side to respond in kind. They also remove any excuse that the other side may have for stepping up military pressure or relying on harsh political tactics. Declaratory CBMs often win praise from the international community and earn respect from abroad for the national leader that is responsible for issuing them. Moreover, declaratory CBMs have the potential to generate public support or to muffle domestic criticism. As Michael Krepon and Jenny Drezin note in their writings on declaratory diplomacy, "The right combinations of words, symbolic gestures, and actions can mobilize support and isolate recalcitrant forces at home and across troubled borders."²⁰ Krepon and Drezin also point out that national leaders can use declaratory initiatives to fashion an image of self-confidence rather than weakness.

To be effective in persuading the other side of one's commitment to confidence building, proclamations of reassurance must be believable. They may also require accompanying action, especially when mistrust is deep and long-standing. Krepon and Drezin explain that "Declaratory CBMs need to jar pre-existing mindsets, an especially difficult task, which is why reinforcing actions are essential. . . . Leaders who wish to reconcile with adversaries cannot depend on words alone; they must undertake a coherent and comprehensive strategy that demonstrates 'credible commitment.' Political risk taking for reassurance can demonstrate credibility."

Understanding the psychology of the other side is imperative for declaratory CBMs to be successful. A common language, culture, and history, such as that which prevails in cross-strait relations, provides an especially favorable environment for declaratory CBMs to be used effectively. A national leader's choice of wording determines whether his statement signals good will and sincerity or is merely empty rhetoric. As an example of a successful declaratory CBM, Egyptian President Anwar Sadat delivered a speech before the Israeli Knesset in 1977 in which he used empathetic language in making an appeal to the common interests of both sides to break down differences

between Arabs and Israelis. Sadat sought to heal wounds and build common ground by speaking of tragedies experienced by both sides and shared bereavement resulting from past wars.

Taiwan President Chen Shui-bian has made declaratory statements aimed at reassuring mainland China and building trust across the strait on several occasions, both before and after his election victory in March 2000. In his inauguration speech, for example, President Chen pledged that as long as the Chinese Communist Party regime has no intention to use military force against Taiwan, he would not declare independence, he would not change the national title, he would not push forth the inclusion of the state-to-state description in the Constitution, and he would not promote a referendum to change the status quo in regard to the question of independence or unification. In addition, he promised that the abolition of the National Reunification Council or the National Reunification Guidelines would not be an issue.²¹

In President Chen's New Year's address on December 31, 2000, he similarly attempted to convey good will to the mainland. Chen expressed his belief "that the people on the two sides of the Strait share the same roots as well as the common goal of coexistence and co-prosperity" and noted that both sides had indicated "the wish to live under the same roof." Taking advantage of the common language used by both sides of the Strait, President Chen appealed to the PRC to jointly search "for a new framework of lasting peace and political integration between the two sides."²²

There are also historical examples in which Taipei employed declaratory CBMs and followed with unilateral reinforcing actions. In 1987 Taiwan lifted martial law, and in 1991 terminated the "period of mobilization against communist rebellion," marking an end to Taipei's stated aim of retaking the mainland by force. Subsequently, Taiwan gradually reduced its military forces deployed on Kinmen and Matsu, started publication of a white paper on national defense, and began public announcements of all major military exercises. In another instance of a unilateral good will gesture to the mainland, on the eve of Taiwan negotiator Ku Chen-fu's visit to China in 1997, Taipei cancelled a major annual military exercise to create an amicable atmosphere for the visit.

Beijing has used declaratory measures in its policy toward Taiwan, as well. Chinese President Jiang Zemin's 1995 Eight-Point Proposal for reunification included the statement that "Chinese will not fight Chinese." As noted above, in August 2000 Chinese Vice Premier Qian Qichen signaled that Beijing would deal with Taipei as an equal negotiating partner by declaring that Taiwan and the mainland are both part of China. The PRC has also frequently employed declaratory statements in the nuclear sphere, for example by declaring in the wake of its first nuclear test in 1964 that China would never initiate use of nuclear weapons against a nuclear power and would never employ nuclear weapons against a non-nuclear state. In a joint declaratory measure, Russia and China pledged in 1994 not to use nuclear weapons against each other and not to target each other with nuclear weapons.

Both sides of the strait could consider the following declaratory CBMs to advance the confidence-building process to a higher stage:

- China could forswear the use of military force against Taiwan except under the sole condition that Taipei declares de jure independence. If Beijing refuses to relinquish the use of force, then it could at least emphasize its preference for a peaceful solution and rely on peaceful means to achieve that objective. Taipei, if unwilling to rule out independence as an option, could agree not to hold a national referendum on the island's status for a set period, perhaps 10 years.
- Both sides could publicly express their intention to resolve disputes peacefully and eventually to sign a joint statement ending hostilities across the Taiwan Strait.
- Beijing could state orally, or include in its white paper on national defense, a position that Taiwan is covered by China's pledge not to initiate first use of nuclear weapons. Taipei could, in turn, forswear the development of nuclear weapons.
- Taipei could express a willingness to limit its acquisition of more advanced missile defense systems if Beijing agrees to freeze its deployments of short-range ballistic missiles and pull back those already deployed out of range of the island.

Phase One: Near-Term Cross-Strait Military CBMs

Gradually Develop Military-to-Military Contacts

- Conduct informal exchanges between the two sides to discuss security issues.²³ This could begin with visits of retired military officers and civilian national security experts. Active-duty officers could be included as trust is built on both sides. Discussion topics could include broader Asia-Pacific security issues such as the South China Sea, Korea, and Japan. Track II conferences could provide an opportunity for military personnel to meet each other and to exchange perspectives and information. Such conferences could be held on either side of the strait or in the United States under sponsorship of an American think tank. Both the PLA and Taiwan military currently participate in conferences on international security issues, but only rarely do they participate together. The PLA has not permitted Taiwan military officers to attend conferences held on the mainland, but it has invited national security academics and retired Taiwan military officers to Beijing to exchange views.
- Assign military representatives to Taiwan's Straits Exchange Foundation (SEF) and China's Association for Relations across the Taiwan Strait (ARATS) 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.
- Establish contacts between the PRC and Taiwan military personnel in third countries. Both Beijing and Taipei post defense representatives in their respective overseas embassies and representative offices. These individuals could regularly meet and exchange views.
- Send active-duty military officers from both China and Taiwan at the same time to American think tanks and universities. So far, this has taken place at the Atlantic Council of the United States. Both sides could also send military officers to the

Asia-Pacific Center in Honolulu, the Monterey Institute of International Studies, the Stimson Center, the Kennedy School of Government at Harvard, and so on. This would enable the two militaries to have regular contact with members of the other side's military. Joint projects could be considered between Taiwan and Chinese military officers on subjects of common interest, such as Japan's military strategy or South China Sea security.

Develop Maritime Cooperation

- Expand cooperation in naval and maritime activities where there are shared interests. The navies of China and Taiwan are engaged in many activities that relate to maintaining the safety of the waters and security in the Taiwan Strait. They engage in pollution control, conduct search and rescue operations, curb piracy and smuggling, provide assistance for natural resource exploration, and conduct fisheries patrols in addition to their wartime activities and exercises. Collaborative efforts between China and Taiwan in some of these naval and maritime activities where their interests converge can provide habits of cooperation that can play a role in building trust.²⁴ Specific proposals include the following:
 - Hold a track II conference to study the cooperative models of other navies to monitor and control marine pollution and curb smuggling through the sea. Discussions would focus on practical steps to implement cooperation between the navies.
 - Undertake joint scientific and technical projects to study ocean currents and flows, weather patterns, and movements of fish.
 - Cooperate in environmental management activities such as countering marine pollution. This could include planning for cooperative responses to oil spills and other environmental disasters.
 - Establish cooperation between maritime agencies from China and Taiwan to solve the issue of fishermen being caught crossing into each other's territory.
 - Cooperate to curb smuggling and otherwise maintain cross-strait security. Due to the unique geographical and political background of the Taiwan Strait, there have always been areas where there are no patrols, thus resulting in security gaps in the strait's maritime space. Criminals have been able to take advantage of such gaps, posing dangers to travelers passing through the strait. In 1998, the Fujian border defense corps, which is responsible for guarding the 3,300-kilometer coastline, proposed exploring with Taiwan the possibility of jointly maintaining cross-strait security and cooperation.²⁵
 - Set up maritime risk-reduction centers in both countries to exchange information.

Set Up Direct Communication Links

- Establish communication links, beginning at lower levels. Such links could be set up between commanders of naval vessels or commanders of units facing one another across the strait. The recent steps taken by Korea and Japan could be instructive in this regard.²⁶ Such communication links would carry symbolic importance as well as substantively contribute to the avoidance of miscalculation in a crisis.

Most hot-line agreements provide for meetings between the two sides to review the functioning of the communications link and suggest upgrades or changes. The creation of such a committee would provide another forum in which to expand contacts between the two militaries.

A civilian hot line already exists between China and Taiwan, providing a precedent in this area. In November 1997, the Taipei-based China Rescue Association and its mainland counterpart, the China Marine Rescue Center, set up a hot line to facilitate marine rescue work in the Taiwan Strait. Under the agreement, when accidents occur in the Taiwan Strait involving the ships of either Taiwan and the mainland, the ships in distress and the rescuing ships may use the hot line to request assistance and ask for permission to enter the waters and harbors of the other side. The hot line operates 24 hours a day.²⁷

Establish Rules of the Road and Communication Measures in the Event of Dangerous Military Incidents

- Negotiate an agreement aimed at preventing dangerous military activities and containing their consequences if they occur. Such an agreement would include codes of conduct for military forces and mandate modes of consultation and communication in crises. An INCSEA agreement was signed by the United States and the Soviet Union in 1972 and an accord on Dangerous Military Incidents was signed in 1989. In January 1998 China and the United States signed the Agreement between the Department of Defense of the United States of America and the Ministry of National Defense of the People's Republic of China on Establishing a Consultation Mechanism to Strengthen Military Maritime Safety. According to the agreement, the agenda items of their maritime and air forces may include, among other items: measures to promote safe maritime practices and establish mutual trust such as search and rescue, communications procedures when ships encounter each other, interpretation of the rules of the nautical road, and avoidance of accidents at sea. The PLA Navy and the U.S. Navy subsequently conducted two search and rescue exercises, the first in December 1998 and the most recent in December 2000.

Agree on Explicit Rules of Engagement

- Reach an explicit agreement barring either side from crossing the midline of the strait. In the Taiwan Strait, the Taiwan Air Force and the PLA Air Force have maintained a tacit agreement on an invisible central line of the strait, and neither side has conducted any provocative flights against the other. According to a November 29, 1998, article in Taipei's *Tzu-Li Wan-Pao*, "since the end of air battles over the Taiwan Strait in 1958, when carrying out patrol duties during ordinary times, our fighters have always kept a distance of thirty sea miles from the mainland's coast, while the Chinese Communist fighters usually carry out their duties close to their own coast line. Maintaining a tacit agreement on an invisible central line of the Strait, neither side has conducted any provocative flights against each other, so as to prevent an air battle from breaking out due to misjudgments made by their pilots."²⁸ Violations of this tacit agreement have occurred, heightening concern about possi-

ble conflict triggered by an aerial fight accident. A more explicit agreement that includes verification provisions to confirm compliance would lessen the possibility of escalation to war resulting from an accident.

Phase Two: Mid-Term Cross-Strait CBMs

Institute a Program of Regular Military Exchanges

- Regularly exchange delegations from military academic research institutions.
- Exchange visits to military bases and conduct reciprocal visits to naval platforms.
- Exchange visits by high-ranking military officials to engage in security dialogues.

Conduct Data and Information Exchanges

- Provide prior notification of military exercise plans, including dates and scales of exercises. This notification could include missile tests, as well. Though both sides currently announce most exercises in advance through their respective defense or government spokespeople, it would be a confidence-building initiative for each side to formally provide such notice directly to the other side, perhaps through the SEF-ARATS channel initially. In addition, more detail could be provided. As has been done in Europe, agreements could be made to specify the amount of lead time for announcements, and then lead time could be gradually increased.
- Exchange information on armament inventories, weapons procurement, number of military personnel, and so on. Both sides could provide briefings on their respective defense budgets.
- Exchange intelligence on regional security, especially areas of territorial dispute with other countries such as the Spratly Islands. The two militaries can collect geographical and historical information to bolster their claims and coordinate on how to approach other claimants.

Establish a Joint Military Communication Link and Leadership Hot Line

- Set up hot lines to provide communication channels between senior military and government leaders.

Expand Maritime and Naval Cooperation

- Conduct joint projects, such as development of South China Sea resources.
- Exchange port visits and visits of coast guard and naval officers.
- Engage in cooperative Sea Lanes of Communication (SLOC) monitoring.
- Hold joint military exercises to practice search and rescue procedures. Cooperate in search and rescue operations.

Establish Risk-Reduction Centers

- Set up permanent centers in Taiwan and China to support the implementation of CBMs and other bilateral agreements.

Phase Three: Long-Term Cross-Strait Military CBMs

Assuming that Taiwan and China establish a pattern of trust and cooperation along with a degree of political understanding, CBMs can proceed to a more advanced level. The two sides could consider implementation of constraint measures, which are aimed at keeping certain types and levels of each side's military forces at a distance from one another. Constraint measures that prevent emplacement of large numbers of troops and weapons in a specified zone aim to limit the ability of parties to mount large-scale offensives.

Establish Keep-Out Zones

- Define a demilitarized zone and a military buffer zone in the Taiwan Strait in which specified military activities are prohibited.

Agree on Limits for Military Exercises and Deployments

- Establish limits on the number and location of deployments of ballistic missiles and ballistic missile defense systems.
- Set restrictions on the types, scale, frequency, and timing of military exercises. Establish long lead times for conducting large-scale exercises that involve movement of certain levels of troops and equipment. Agree not to hold exercises in important air routes, sea lines, and at sensitive political times.

Implement Verification Measures

Verification measures are designed to collect data or provide first-hand access to confirm or verify a party's compliance with an agreement. This could include verification of the accuracy of data exchanges and compliance with restrictions on weapons deployments or troop movements. Verification measures can also provide early warning of potentially destabilizing activities. Inspections can be carried out jointly or by third parties. Verification is likely less important at the early stages of confidence building and would become relevant only once the process reaches a mature stage.

- Conduct on-site inspection visits to factories and military bases.
- Carry out aerial inspections and ground-based electronic sensing.

Sign a Non-Use of Force Agreement

In the case of China and Taiwan, an advanced stage of mutual trust would likely need to be attained before an accord could be reached committing both sides to refrain from using force against the other. Such an accord would likely presuppose an agreement on broader political issues between Taipei and Beijing. In the near term, both sides could consider signing a conditional, limited-term non-use of force agreement in which Taipei would forego a declaration of independence for a specified number of years and Beijing would promise to not initiate the use of force against Taiwan unless it declared independence.

CONCLUSION

The relationship between China and Taiwan remains deeply mistrustful and highly unstable. A political resolution of cross-strait differences is unlikely in the near term. Gradual steps are needed that can transform negative perceptions and build a less-hostile and eventually cooperative relationship. Confidence-building initiatives that reduce misperception, uncertainty, and suspicion should be considered by both sides to enhance cross-strait stability. As a first step, Beijing and Taipei should engage in a reciprocal process of unilateral, declaratory CBMs. Preliminary CBMs in the military sphere should be implemented to reduce the risk of conflict due to miscalculation or accident. As the political relationship improves, more ambitious CBMs can be contemplated.

NOTES

1. Ralph A. Cossa, "Cross-Strait Confidence Building: Taking the Next Step."
2. A similarly all-embracing definition of CBMs is "a myriad of political, economic, and environmental arrangements which are themselves not concerned with security, but which in sum indirectly probably contribute more to regional confidence and security than those measures specifically designed for that purpose." See Desmond Ball, "The Most Promising CSBMs for the Asia-Pacific Region." Paper prepared for Conference on the Asia-Pacific Region: Links Between Economic and Security Relations, organized by the Institute of Global Conflict and Cooperation, University of San Diego, California, May, 1993.
3. M. Susan Pedersen and Stanley Weeks, "A Survey of Confidence and Security Building Measures." In *Asia Pacific Confidence and Security Building Measures*, Vol. XVII, No. 3, ed. Ralph A. Cossa (Washington, D.C.: CSIS Significant Issue Series, 1995).
4. Ralph A. Cossa, "Cross-Strait Confidence Building: Taking the Next Step."
5. The Henry L. Stimson Center, Confidence Building Measures Project. Available from the World Wide Web: <http://www.stimson.org/cbm/china/track1.htm>.
6. Robert Karniol, "Forum offers new era of Singapore/Malaysia." *Jane's Defence Weekly* 23 (1995).
7. Benjamin Self, "Confidence-Building Measures in Japanese Security Policy." In "Investigating CBMs in the Asia Pacific Region," May 1999, report 28. Available from the World Wide Web: www.stimson.org.

8. Sony Devabhaktuni, Mathew C.J. Rudolph, and Michael Newbill. Key Developments in CBMs between India and Pakistan." In *Global Confidence Building New Tools for Troubled Regions*, eds. Michael Krepon, Michael Newbill, Khurshid Khoja, and Jenny S. Drezin (1992) pp. 189–196.

9. Off-the-record discussion at a conference on Sino-U.S. security relations held in May 1999.

10. The unpublished paper was shared with this author on the understanding that the retired PLA officer's name would not be revealed.

11. Meeting with C. Daniel Mote, president of the University of Maryland, October 26, 2000, Central News Agency, FBIS, 26 October, 2000.

12. DPP "White Paper on National Defense," November 23, 1999.

13. The DPP paper on policy toward the PRC also endorsed the implementation of CBMs, noting that "Taiwan and China should as soon as possible open negotiations in regard to confidence-building measures." The text noted that: "We admit that in regard to the present situation in bilateral intercourse, in speaking of building comprehensive and concrete confidence building measures [CBM], we still have many obstacles to overcome. However, as for maritime safety and cooperation, and transparency measures, the difficulty in fact is relatively small; this is because the function of the CBMs is to lessen to a great degree, through dialogue and cooperation, the possibility of war, representing a focus on the safety of people's lives, and according with common universal values. Thus, we hold that having somewhat limited topics from the start in regard to the challenges and conflicts from the political situations on both sides, and these issues as the chief topics and goals of the negotiations, is a fairly realistic method "White Paper on Chinese Policy Into New Century," *Democratic Progressive Party*, 9 November 1999.

14. Cited in "Taiwan's Olive Branches" on the Taiwan Mainland Affairs Council home page, December 2000. Available from the World Wide Web: <http://www.mac.gov.tw/english/MacPolicy/policy10/olive98.htm>.

15. Text of speech by Lien Chan on "Defense Strategy and Defense Building for the New Century." *Chung-Yang Jih-Pao*, FBIS, 9 December, 1999.

16. Sofia Wu, "MND Cultivating Manpower for Cross-Strait Military Exchanges," Central News Agency, 27 September, 2000.

17. "Taiwan: Defence Report Emphasizes Combat Capabilities, Trust Mechanism," Central News Agency, 8 August, 2000.

18. Papers were delivered at the conference on four topics: (1) prospects for establishing a cross-strait military mutual trust mechanism; (2) cross-strait relations and the proposed military exchange mechanism; (3) international confidence-building measures; and (4) mainland China's stance and views on confidence-building measures, were discussed during the one-day seminar. "Seminar Held on Military Exchanges with Mainland," Central News Agency, 6 July, 2000.

19. Margaret (Peggy) Mason, "Confidence Building in the Asia Pacific Region: Prospects and Problems," *Asia Pacific Confidence and Security Building Measures*, Vol. XVII, No. 3, ed. Ralph A. Cossa (Washington, D.C.: CSIS Significant Issue Series, 1995).

20. Michael Krepon and Jenny S. Drezin, "Declaratory Diplomacy and Confidence Building." In *Declaratory Diplomacy: Rhetorical Initiatives and Confidence Building*, Stimson Report No. 27, eds. Michael Krepon, Jenny S. Drezin, and Michael Newbill (May 1999).

21. Taipei Government Information Office, WWW-Text in English at <http://www.gio.gov.tw>, 20 May 2000.

22. The first Chinese character President Chen used in the term “integration” (*tonghe*) is no doubt deliberately the same as the first Chinese character used in the term “unification” (*tongyi*). Taipei Office of the President of the Republic of China, WWW-Text in Chinese at <http://www.gio.gov.tw>, 31 December 2000.

23. Many of these CBMs have been proposed in earlier articles on cross-strait military CBMs. See, for example, Ken Allen, “Military Confidence-Building Measures across the Taiwan Strait”; Major General Tyson Fu, “A Preliminary Proposal for Military ‘Confidence-Building Measures’ Across the Taiwan Straits,” prepared for the International Forum on Peace and Security of the Taiwan Strait, cosponsored by the 21st Century Foundation of Taiwan and the American Enterprise Institute, July 26–27, 1999, Taipei; and L. Celeste Johnson, “Military Confidence Building Measures between Taiwan and the People’s Republic of China,” May 1999.

24. Lieutenant Commander Duk-Ki Kim, “Cooperative Maritime Security in Northeast Asia,” *Naval War College Review* 50, no. 1 (Winter 1999).

25. “Fujian Seeks Taiwan Cooperation on Fighting Crimes at Sea,” *Beijing Zhong-guo Xinwen She*, FBIS-CHI-98-040, 6 February, 1998, cited in Ken Allen, “Military Confidence-Building Measures across the Taiwan Strait.”

26. Victor Cha, “Positive and Preventative Rationales for Korea-Japan Security Cooperation,” in *U.S., Korea, Japan Relations: Building Toward a “Virtual Alliance,”* ed. Ralph A. Cossa (Washington, D.C.: CSIS Significant Issue Series, 1999), cited in Cossa, “Cross-Strait Confidence Building: Taking the Next Step.”

27. “Hot line to Facilitate Rescue Work in Taiwan Strait,” Central News Agency, FBIS-CHI-97-329, 25 November, 1997, cited in Allen, “Military Confidence-Building Measures across the Taiwan Strait.”

28. “Mainland Fighters Said to Appear Above Taiwan Straits,” *Taipei Tzu-Li Wan Pao*, FBIS, 29 November, 1998, cited in Allen, “Military Confidence-Building Measures across the Taiwan Strait.”