To the Finland Station

Is Taiwan Selling Out to China?

Taipei Is Not Helsinki

VANCE CHANG

In “Not So Dire Straits” (January/February 2010), Bruce Gilley seeks to explain the dynamics underlying current relations among the Republic of China (Taiwan), the People’s Republic of China (PRC), and the United States. Yet his use of post-World War II Finland as a model for understanding recent developments in cross-strait relations, although superficially intriguing, does not hold up under detailed examination. And his attempt to portray the diplomatic strategy of Ma Ying-jeou, Taiwan’s president, as an effort to advance the “Finlandization” of Taiwan is both inaccurate and unjustified.

Gilley acknowledges some of the key building blocks that have helped the American people and the people of Taiwan forge a common set of values and interests: shared objectives during World War II, enduring strategic interests embodied in the 1979 Taiwan Relations Act, and a mutual commitment to democratic and economic freedom, to name a few. But by using the model of Finlandization to describe Taiwan’s present course and by pairing this with an unsubstantiated claim of a “stark choice” facing U.S. policymakers, Gilley fails to grasp current political realities.

Consider, for example, the key elements of the theory of Finlandization. Gilley notes that in its 1948 agreement with the Soviet Union, Finland agreed not to join any alliances challenging Moscow and subsequently pursued a policy of appeasement and neutrality on U.S.-Soviet issues. Moscow, in turn, upheld Finland’s autonomy and respected its democratic system. According to this theory, the “Finlandized state” sustains a peaceful relationship with the neighboring superpower by making strategic concessions to it, while the superpower need only make vague threats—rather than pursue military coercion—to influence the smaller neighbor’s policies.

In many ways, relations between Taiwan and mainland China over the past half century have represented the exact opposite of the Finlandization model. Taipei has maintained an alliance with
the United States over six decades, has frequently been at odds with Beijing, has rejected concessions and appeasement when its core values and freedoms have been challenged, and has been a strong supporter of U.S. interests in the region. For its part, the PRC can hardly be said to have upheld Taiwan’s autonomy or respected its democratic system. In addition to issuing diplomatic threats, the PRC has consistently displayed its military might—with a large and growing battery of missiles pointed across the Taiwan Strait.

Nor does Finlandization accurately describe the state of Taipei’s relations with Beijing today. Ma’s policies and actions since taking office in May 2008 defy such a characterization. Rather than propounding the more neutral or concessionary stance predicted by the Finlandization model, in his inaugural address, Ma strongly reaffirmed the United States as Taiwan’s “foremost security ally and trading partner.” Further defying any suggestion of appeasement, he then declared that “Taiwan doesn’t just want security and prosperity. It wants dignity. Only when Taiwan is no longer being isolated in the international arena can cross-strait relations move forward with confidence.”

And instead of “taking itself out of the game,” as Gilley suggests, Taipei has set a course that has made the prospects for a triple win for Taiwan, China, and the United States more promising than ever before. Specifically, Ma has brought a new approach to Taiwan’s foreign policy, aiming to reduce cross-strait tensions while simultaneously reinvigorating the historic partnership between Taipei and Washington. This points to yet another noteworthy distinction between the Finlandization model and Taiwan’s experience—unlike Finland’s occasional reliance on the United States after World War II, Taiwan’s partnership with the United States over the years has been consistent and steeped in shared values and a common sense of purpose. As a result, Ma has taken major strides to reestablish and strengthen mutual trust with Washington, including engaging in consultations with U.S. leaders during transit stops in the United States and negotiating arms deals in October 2008 and January 2010 that will augment Taiwan’s defensive capabilities.

With the benefit of this strong partnership, Ma has also worked to forge a new relationship with Beijing—based on a confident assessment of Taiwan’s interests, not the strategic concessions typical of a Finlandized state. Taipei and Beijing have forged agreements on issues ranging from direct flights and shipping channels to combating crime and ensuring food safety. The most recent round of talks, in December, produced accords on both fishing rights and agricultural product inspections—issues of critical importance to Taiwan’s enduring commercial strength.

Likewise, Taiwan’s broader diplomatic endeavors exhibit confidence rather than capitulation. Through subtle diplomacy, Taiwan’s long-standing efforts to gain a seat at the table of international organizations bore fruit when the director general of the World Health Organization invited Taiwan to participate in the World Health Assembly as an observer in May 2009—a welcome first step on the road to broader participation in the WHO.

Gilley asserts that Washington today “faces a stark choice”: to pursue a
“militarized realist approach” in which Taiwan is used to balance the power of a rising China or to promote long-term peace by resigning itself to closer ties between Taiwan and China. Yet recent developments have demonstrated that this presumed stark choice is in fact a false one. Just as it did half a century ago, Taiwan’s strong security partnership with the United States provides a foundation of support for broader diplomatic efforts today—whether they are focused on advancing cross-strait economic cooperation or tackling transnational threats such as climate change or terrorism.

Beyond its importance for Taiwan, Ma’s approach can help build confidence between Beijing and Washington, making it easier to realize a scenario that benefits all three parties. To this end, Taipei has pursued a close and, as Ma has described it, “surprise-free and low-key” relationship with the Obama administration. In return, Barack Obama and other senior U.S. officials have praised and encouraged Ma’s efforts to improve cross-strait relations.

The prospect of Taiwan’s sliding toward Finlandization could not be more remote. Instead, Taipei welcomes the opportunity to continue simultaneously a constructive dialogue with Beijing and a sustained partnership with Washington that advances Taiwan’s democratic values and allows Taiwan to serve as a beacon for other states that share the same aspirations.

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Bruce Gilley develops a “Finlandization” scenario for Chinese-Taiwanese relations in his article “Not So Dire Straits.” Although my theory of Finlandization is applied and discussed in a fair and interesting way, Gilley paints an excessively rosy picture of the concept, and I do not share his view that Taiwan will eventually choose the Finlandization option by discreetly pushing the United States aside.

Finlandization, or adaptive acquiescence, is a relatively infrequent phenomenon in world politics, and for good reasons. It is a difficult model of politics for a weak state, and the odds are stacked against it: an unequal relationship with a neighboring great power that is often motivated by a different ideology does not bode well. The weak power must show realist resignation, essentially declaring, “We recognize that we are part of a great-power sphere of interest, and we abstain from borrowing military strength from any competing great power to revise this status quo. In return, we expect respect for our core values, so that we can preserve the traditional way of organizing our society.” It also requires Bismarckian restraint on the part of the great power, which must resist the temptation to simply impose its own puppet regime—which historically has been a much more common phenomenon than Finlandization.

The devilish logic of Finlandization is that the concessions are often mutually
committing. They create goodwill in the short run, but they also lead to raised expectations for the future, and the weak state often finds itself on the slippery slope of making further concessions. Of course, there are countermeasures that can be used to gain a foothold on this slope.

First and foremost is maintaining an overarching commitment to the weak state’s core values. For example, Finnish President Urho Kekkonen, in a 1960 luncheon speech to his guest, Soviet Premier Nikita Khrushchev, declared, “Even if the whole of the rest of Europe becomes communist, Finland will remain a traditional Scandinavian democracy.” Statements like this must be repeated over and over again in order to be effective. Second, such statements must be given credibility, which depends on the presence of a civil society historically committed to democracy. Third, to sustain this credibility, Finlandization efforts should preferably be headed by a politician with nationalist credentials who cannot be suspected of selling out the state’s core values. Fourth, Finlandization requires an elitist approach to foreign policy: only a small number of top politicians should be kept adequately informed and involved in major decisions. Finally, governments pursuing Finlandization cannot always afford the luxury of free and frank democratic debate, since that could rock the boat in relations with the bigger neighbor; the media may therefore have to act as “co-diplomats” by endorsing the government’s policy line.

As Gilley illustrates, much good can come out of Finlandization under the right circumstances. From a regional perspective, stable peace is preferable to escalating tensions and arms races. For China, it would be a major security gain if Taiwan were no longer seen as a pistol in the back or a floating U.S. base. And the trade benefits for both sides could be legion.

My main objection to Gilley’s analysis is that unilateral dependency is not a desirable project for any small power. It may be necessary for a nation to make the best out of a difficult situation, but no small power today will voluntarily discard a reasonable alliance option and limit its room to maneuver in the way Finlandization requires. Taiwan is already pursuing a détente policy in line with West Germany’s Ostpolitik—which took place within NATO—but that should not be mistaken for Finlandization.

Finlandization may eventually come to the Taiwan Strait, but only if an overburdened United States decides to reduce its future role in Asia, creating a wholly new regional environment. Before doing so, decision-makers in Washington should consider the likelihood of three possible consequences: the worst-case scenario, in which former U.S. allies become puppets of Beijing; the best-case scenario, in which China achieves détente with its neighbors; and, finally, the possibility that U.S. allies will turn to the difficult art of Finlandization, with all of its virtues and vices. The vices should not be overlooked.

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Gilley Replies

Taiwan's Foreign Ministry is understandably keen, as Vance Chang's response to my article shows, to avoid the perception that it is selling out to China. Taiwanese President Ma Ying-jeou's carefully calibrated reconciliation with Beijing is designed to reassure the Taiwanese people that their democracy and autonomy will remain intact. As Hans Mouritzen's response implies, probably only the opposition Democratic Progressive Party could ever truly make peace with China—given that its specifically Taiwanese nationalist credentials are even more impressive to Taiwanese voters than the Kuomintang's broader Chinese nationalism. Nonetheless, the drift toward closer relations with China is clear, and if it continues, Taiwan's relationship with China will increasingly come to resemble that between Finland and the Soviet Union during the Cold War. A corollary will be the reconfiguration of Taiwan's relations with the United States—namely, Taipei's purchasing fewer arms from Washington and shifting its diplomatic focus to relations with Beijing.

Chang is right that Chinese-Taiwanese relations since 1949 have been the exact opposite of Finlandization: Taiwan has maintained a militarized strategic alliance with the United States, and in return, China has overtly threatened Taiwan's autonomy and national security. The question is whether this is now changing, and whether it should be. Strategists on both sides recognize that the current stalemate can end only when each side protects the core interests of the other—for Taiwan, remaining democratic and autonomous, and for China, enjoying offshore security.

Helsinki's foreign relations with Moscow were aimed at advancing Finland's democratic values, just as Taipei's relations with Beijing today are aimed at advancing Taiwan's democratic values. Chang overlooks this key positive element of Finlandization. And the claim that Taipei has made no concessions to Beijing is false: Taipei has halted its constitutional advance toward independence and opened formerly closed sectors of its economy to investment from China. It has also redirected its quest for a greater international voice through Beijing and suspended its attempts to rejoin the United Nations. Taiwan's invitation to the 2009 meeting of the World Health Assembly came not as a result of Taipei's diplomatic efforts but rather due to the assent of Beijing, which may well rescind the offer in 2010 to protest recent U.S. arms sales to Taiwan. No recent case more starkly illustrates the centrality of Beijing to Taipei's core interests—and the logic of Finlandization that this implies.

Like Chang, many analysts in the United States and Taiwan have commented that my argument about Finlandization amounts to the abandonment of a successful policy of U.S.-led deterrence just as it is bearing fruit. This assumes that the current thaw between Taipei and Beijing is because of the U.S.-Taiwanese alliance, rather than in spite of it. That is partly right. Similarly, if not for the implicit threat of NATO support, Finland's special relationship with Moscow would have been impossible, and Finland would have been folded into the Eastern bloc. But Finland also wisely rejected formal inclusion in NATO. Had Finland joined the
Atlantic alliance, Moscow would have felt threatened on its border, opening the way to responses that could have escalated. Russia’s 2008 war against Georgia serves as a reminder of how the West can miscalculate the phobias, however indefensible, of rival great powers.

The theory of Finlandization suggests that Taiwan should reposition itself as a neutral party in the U.S.-Chinese struggle for mastery in Asia. Ma may want to have his cake and eat it, too—the “triple win” of close ties to both the United States and China, as Chang puts it—but Beijing is unlikely to agree to such a scenario. Peace with China and a bigger role for Taiwan in the international arena will depend on evidence that Taiwan is no longer part of a U.S.-led encirclement of China. The choice facing Taiwan’s people is which road to take. And in the end, they may well reject the Finlandization option.

Mouritzen helpfully supplies some of the reasons why. Finlandization depends on expectations that the great power will exercise restraint and farsightedness. Given that such expectations are both risky and uncertain, there is a basic game-theory problem: weak states have little incentive to abandon close ties with protective great powers. I do not think, however, that only a U.S. abandonment of Taiwan could produce such a change. If China were to reduce its threat to Taiwan by promising verifiable and immediate force reductions, as well as by allowing Taipei to continually expand its role in international organizations, Taiwan may decide that participating in U.S. military planning, purchasing major weapons systems from the United States, and denying offshore naval security to China are no longer worth it. However, an implicit U.S. promise to intervene in the event of any invasion of Taiwan would be necessary in order for Taipei to choose to change course.

The endgame in the Taiwan Strait is two independent and democratic states with close, post-Westphalian ties. The question is how to get there. Taiwan could remain armed and politically isolated from a rising authoritarian China and hope for the best. Alternatively, it could shift its strategy to demilitarization and political engagement and hope to speed China’s transition to democracy. Both courses involve risks; Taiwan’s people alone should decide which course to take.