

**SEEKING COMMON GROUND WHILE KEEPING  
DIFFERENCES: “USING THE CASE OF CROSS-  
STRAIT RELATIONS AS A CASE”**

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**TABLE OF CONTENTS**

I.	INTRODUCTION AND ANALYTICAL FRAMEWORK .....	2	R
II.	HOW INTEREST SIMILARITY CONTRIBUTES PEACE .....	6	R
	A. The Definitions of Interests .....	8	R
	B. The Theoretical Assumptions .....	13	R
	1. <i>States in a dyad with similar policy interests         are less likely to have militarized disputes. ....</i>	14	R
	2. <i>States in a dyad are less likely to have         militarized disputes if they share similar         security interests. ....</i>	16	R
	3. <i>States in a dyad are less likely to have         militarized disputes if they share similar         economic interests. ....</i>	17	R
III.	ASSESSING THE VALIDITY OF DYADIC INTEREST SIMILARITY IN HISTORY .....	17	R
	A. The China-United States Dyad .....	18	R
	B. The Israel-Syria Dyad .....	23	R
IV.	COMMON SECURITY INTERESTS BETWEEN CHINA AND TAIWAN .....	25	R
V.	COMMON ECONOMIC INTERESTS BETWEEN CHINA AND TAIWAN .....	34	R
VI.	THE RAPIDLY GROWING RESISTANCE AGAINST CHINA’S ECONOMIC COERCION IN TAIWAN AND THE 2014 SUNFLOWER STUDENT MOVEMENT .....	42	R
VII.	CONCLUSION .....	46	R

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VIII. GLOSSARY OF SELECTED NAMES AND TERMS .....	49	<b>R</b>
Figure 1: China-U.S. Interest Similarity and Militarized Conflicts 1949-1992 .....	19	<b>R</b>
Figure 2: Israel-Syria Interest Similarity and Militarized Conflicts 1949-1992 .....	24	<b>R</b>
Figure 3: PRC and ROC Military Expenditure of GDP .....	31	<b>R</b>
Figure 4: Volume of Arms Exports from U.S. to Taiwan from 1995-2012 .....	32	<b>R</b>
Table 1: Public Opinion on CSSTA in 2014 .....	43	<b>R</b>

**I. INTRODUCTION AND THE ANALYTICAL FRAMEWORK**

For the past decade, the “joint democracy produces peace” theory has received substantial attention. Evidence has confirmed that democracies rarely, if ever, engage in large-scale conflicts with each other. However, there is a lack of specific information regarding the mixed dyads (democracies and non-democracies), especially when we attempt to study their peace scenarios. Hence, some other international relations scholars proclaim that even though the political structures may be different between democracies and non-democracies, sharing similar interests provide certain strong incentives for states to behave peacefully. Regime types may be influential, but under the mixed dyads scenario, states’ vital interests have surpassed the importance of regime similarity. The most noticeable example is the political and security competition being held between the United States and the People’s Republic of China (PRC) over Taiwan. The issue regarding Taiwan has been consistently framed in terms of the stability between Beijing and Washington, D.C. Even though there were several diplomatic and militarized disputes in the Taiwan Strait, the United States did not take any military action against China in order to protect Taiwan. Both Beijing and Washington share complex and interrelated national interests with each other—to maintain the security and stability of East Asia. Therefore, the leaders of these different regimes think more carefully about their policy interests rather than only focusing on their ideological differences.

Based on the argument above, it is an interesting question as to whether we can apply this theoretical framework to the situation between China and Taiwan. Since these two political entities belong to two different regimes, and mainland China has no such intention to become a more democratic regime, it seems that we are able to

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 3

use the same structure of interest similarity to explain the current cross-Strait scenario.

The study of states' interest was derived from the debate between neorealism and neoliberalism because neorealists believe that conflicts are more likely between states with different worldviews.<sup>1</sup> In particular, states' interests such as security and economics need to be considered when we study international conflict.<sup>2</sup> When do states' interests involving security and economics influence the choice to initiate conflict? These types of questions encourage scholars of international relations to study interests and regime types together, and attempt to offer some advantages to enhance previous studies of conflict behavior.

Under the realists' arguments, the explanation for democratic peace theory is that a variety of cultural, social, ethnic, demographic, and political factors encourage Western industrial democracies to view the world in similar ways. They do not fight each other due to those similarities. Other studies also demonstrate that interest indicators from realists and liberalists obtain statistically significant results between interstate conflict and interests.<sup>3</sup> In short, interest creates more peace rather than the liberal variables.

Since the theoretical arguments in the type of regime cannot adequately explain why China and Taiwan prefer heading to the negotiation table rather than violent conflict, this paper is my attempt to contribute a broader picture explaining why Beijing and Taipei have been able to maintain peace since the 1950s. The causal inference in this project articulates that the in-group/out-group dynamic increases animosity, and contributes to militarized conflict.

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1. Henry Farber and Joanne Gowa, "Politics and Peace," *International Security*, Vol. 20 no.2 (Fall 1995), p.123-146; and "Building Bridges Abroad," *Journal of Conflict Resolution*, Vol. 41 no.2 (April 1997), p. 455.

2. Christopher Layne, "Kant or Can't: The Myth of the Democratic Peace," *International Security*, Vol. 19 no.2 (Fall 1994), p.5-49. Douglas Lemke and William Reed, "Regime Types and Status Quo Evaluations: Power Transition Theory and the Democratic Peace," *International Interactions*, Vol. 22 no.2 (April 1996) p.143-164.

3. Realists see alliance ties as a key indicator of shared strategic interests. Liberals treat trade or IGO membership as the basic element of states' interest affinity. Please see Erik Gartzke, "Kant We All Just Get Along? Opportunity, Willingness, and the Origins of the Democratic Peace," *American Journal of Political Science*, Vol. 42 no.1 (January 1998), p.1-27; and Erik Gartzke, "Preferences and the Democratic Peace," *International Studies Quarterly*, Vol. 44 no.2 (June 2000), p.191-212. Kevin J. Sweeny, "The Severity of Interstate Disputes: Are Dyadic Capability Preponderances Really More Pacific?" *Journal of Conflict Resolution*, Vol. 47 no.6 (December 2003), p.728-750. Zeev Maoz et al, "Structural Equivalence and International Conflict: A Social Networks Analysis," *Journal of Conflict Resolution*, Vol. 50 no.5 (October 2006), p.664.

States will trust each other because they are “in-group.” “Out-group” states are possibly less trusted. Therefore, trust brings situations that are more peaceful for states, but distrust may increase the possibility of disputes. Interest similarity in this project means a more general representation of ideological and institutional similarities, which is different from what we recognize as the ordinary incompatible interests. The basic idea in this project is to elaborate the effect of in-group and out-group ideas. States that attempt to have similar views and ideas will be more likely to remain with each other, and attempt to resolve disputes peacefully.

By applying the theoretical arguments on the studies of cross-Strait relations, I suggest that deepening both security and economic similarities boosts the political will to implement peace agreements for the China-Taiwan dyad. Obstacles in the establishment of a comprehensive cross-Strait dialogue include the increasing Taiwanese identity of the Taiwanese people, and China’s unwillingness to democratize. However, two critical principles, notably security and economic issues, provide useful solutions for opening up dialogue.

We should be aware that neither security nor economic interests alone will bring peace for China and Taiwan. This study does not consider economic factors as the single principle component for peace, which is more the exception rather than the norm in regards to the Kantian peace theory. In contrast, I attempt to bring security and economic issues together for a broader discussion of peace. While economic convergence between China and Taiwan has grown increasingly stronger, political divergence has not shown improvement. This study, therefore, aims to identify the joint conditions of interest similarities moving China and Taiwan to a less conflict-prone scenario. A clear explanation about pacifying factors introduced by both security and economic aspects offers strong contributions for the conditional peace across the Taiwan Strait.<sup>4</sup>

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4. For instance, there have been different voices about the One China policy between Beijing and Taipei. Abiding by the One China ideal has become a critical issue to prevent any further armed confrontation in the Taiwan Strait. For discussion about the One China policy after 2008, please see Dean P. Chen, “The Strategic Implications of MA Ying-jeou’s ‘One ROC, Two Areas’ Policy on Cross-Strait Relations,” *American Journal of Chinese Studies*, Vol. 20 no.1 (April 2013), p.31-34. In fact, the consensus on the One China policy could be viewed as a type of interest similarity. Consensus on this policy (that Taipei does not abandon the One China policy, and Beijing’s continuous willingness to “dispense benefits” to cross-Strait relations) can create positive impacts across the Taiwan Strait.

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 5

The research proceeds as follows. In the second section of this monograph, I establish a framework explaining how I combine the study of interest similarity and regime types into peace studies. I elaborate this theoretical argument with an investigation of relevant literatures, which has portrayed a need for more discussions regarding how interests influence peace. States' interest, as Russett and O'Neal mentioned in their book, are also significant in the statistical analysis of interstate conflict.<sup>5</sup> Therefore, it is necessary to include the discussions of interest, and also seriously think about its independent effects on conflict behavior.

The third section attempts to provide a clear picture showing how interest similarity causes peace while differences bring about more conflicts. In order to solve the validity issues, it becomes more important to select dyads with different qualifications, which can show how policy similarities prevents militarized disputes. I have selected two dyads for this demonstration: China-United States (1949-1992), and Israel-Syria (1949-1992). By using the measures of alliance similarity, which is more responsive to the intuition of important expressions of a states' security concerns, this section offers an important point that states' security interests are closely connected to the chance of the onset of conflict, as well as potential escalation.

The last two sections bring the most important contributions to this monograph. The fourth and fifth parts introduce more facts about how security and economic concerns of China and Taiwan affects peace. My goal is to prove my theoretical arguments while providing a peaceful solution for the "untightening knots" in East Asia. I believe that there are strong theoretical expectations for a relationship between these two variables. My concern is that states with similar global views will attempt to lower the tensions between them. Yet, it is valid to expect that a closer national affinity between China and Taiwan, even though they belong to two different types of regimes, can create a long peaceful relationship. Finally, this study of interest similarity offers a framework for the systematic study of relationships among different individuals, groups, organizations, and states that is eminently suitable for international relations. The sixth section illustrates the rapidly growing resistance against China's economic coercion taking place in Taiwan, and introduces the student protesting movement against the Cross-Strait

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5. Bruce R. Russett and John R. O'Neal *Triangulating Peace: Democracy, Interdependence, and International Organizations*, W.W. Norton & Company Inc., 2001.

Service Trade Agreement (CSSTA). This section might reflect some serious issues about Taiwan's inconsistent interests between the executive branch and domestic politics. It then becomes more crucial to solve this issue before Taiwanese representatives head to the negotiation table.

## II. HOW INTEREST SIMILARITY CONTRIBUTES PEACE

The Kantian Triad has provided the study of international conflict with a very detailed and coherent feedback-loop theory. One of its contributions in the study of international relations is the discussion about democratic peace theory. However, it is reasonable to doubt whether there are other critical elements left behind the scenes. This doubt comes from the previous debate between neorealism and neoliberalism. Neorealism primarily refutes the claims of a democratic peace.<sup>6</sup> A neorealist's view of international politics focuses on power and interests, and the causal inferences of a states' conflict behavior stemming from their own interests.<sup>7</sup> Hence, the discussion of interests catches a scholars' attention. Conflicts are more likely to take place between nations that have greater differences in world views than between those that see the world similarly. The notion of state interests needs to be considered when we focus on the theory of international conflict.<sup>8</sup> The reasonable explanation for democratic peace theory is that a variety of cultural, so-

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6. Christopher Layne, "Kant or Cant: The Myth of The Democratic Peace." *International Security*, Vol. 19 no. 2 (Summer 1994), p.5-49. Joanne S Gowa, *Ballots and Bullets*, Princeton: Princeton University Press, 1999.

7. Classical realists mainly focus on the issue of interests and conflict. In Hans Morgenthau's six principles of political realism, he argues a balance of power will only ensure peace when those involved in it have a common interest in its maintenance. For Morgenthau, the concepts of power and interests are intertwined. Balance of power will only be useful when the states in question share an interest in maintaining the status-quo, and will be conflictual when the revision state is seeking to overthrow it. Please see Hans J. Morgenthau, *Politics among Nations: The Struggle for Power and Peace*, New York: Knop, 1967, p.20.

8. Realists see alliance ties as a key indicator of shared strategic interests. Liberals treat trade or IGO membership as the basic element of states' interest affinity. Please see Erik Gartzke, "Kant We All Just Get Along? Opportunity, Willingness, and the Origins of the Democratic Peace," *American Journal of Political Science*, Vol. 42 no.1 (March 1998), p.1-27; and Erik Gartzke, "Preferences and the Democratic Peace," *International Studies Quarterly*, Vol. 44 no.2 (June 2000), p.191-212. Kevin J. Sweeny, "The Severity of Interstate Disputes: Are Dyadic Capability Preponderances Really More Pacific?" *Journal of Conflict Resolution*, Vol. 47 no.6 (December 2003), p.728-750. Zeev Maoz et al, "Structural Equivalence and International Conflict: A Social Networks Analysis." *Journal of Conflict Resolution*, Vol. 50 no.5 (October 2006), p.664.

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 7

cial, ethnic, demographic, and political factors encourage the Western industrial democracies to view the world in a similar way. They do not fight each other simply due to those similarities. Scholars of international conflict have long accepted that nations differ in their objectives in global relations, and that these differences are an important contributor to conflict behaviors.<sup>9</sup>

The debate between O'Neal, Russett and Gartzke is whether interest itself directly causes conflict, or is the causal inference on conflict indirectly attributable to democracy.<sup>10</sup> In fact, the two studies both have shown a similar claim that states' interests do matter, and the relationship between interests and the probability of disputes is causal.<sup>11</sup> Both works have shown that the causal linkage between interests and conflict is real, and we should not ignore seeking out a broader theoretical and empirical explanation about this causal linkage. Democracy matters in accounting for democratic peace, but there should be more variables accountable for private domain of joint democracy. As Gartzke proposes: "we must ask ourselves at some point whether other variables deserve greater attention given the relatively modest portion of conflict behavior that can be accounted for by pairing republics."<sup>12</sup> States' interests should not be merely an artifact of democracy (or other liberal variables) as O'Neal and Russett promote, and their effects on disputes need to be studied using a more complex model revealing their direct effects on conflict.

In order to investigate the debate between O'Neal and Russett and Gartzke, scholars have to carefully parse the definition of interests before all the empirical examinations. Only via a thorough discussion of the definition of interests, can scholars identify the causal linkage between interests and conflict because it should be clear what role theoretical interpretation of policy interests play in moti-

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9. Bruce Bueno de Mesquita, *The War Trap*, New Haven, CT: Yale University Press, 1983. Bruce Bueno de Mesquita and David D. Lalman, *War and Reason: Domestic and International Imperatives*, New Haven, CT: Yale University Press, 1994.

10. Bruce R. Russett and John R. O'Neal, *Triangulating Peace: Democracy, Interdependence, and International Organizations*, p.169.

11. What the author mentions about "states' interests" is related to the state units, not for governments or individual decision makers. Based on the debate between O'Neal, Russett and Gartzke, their main argument attempts to reveal whether states' interests are independent from regime types, which directly influence interstate conflict. The analytical framework in this monograph relies on the state level, and may not have a strong link with individual decision makers and governmental constraints by democratic institutions.

12. Erik Gartzke, "Preferences and the Democratic Peace," p.210.

vating states to use force. Some questions, however, need to be asked prior to further examination. Could it really be the case that the type of regime has more influence on peace than interests do? Or, do interests and regime types hold equal explanatory power for peace studies? It has been over twenty years since the question was first posed, and there is still ambiguity. In this project, I argue that a great deal of light can be shed on the question by including the effects of an extra factor which is often focused on less by empirical studies: interest. Scholars should not ignore the functions of interests in peace studies, or even treat this variable as the by-product of liberal variables. In the empirical examination parts of this monograph, I will demonstrate the direct effects interests have on peace by using the cross-Strait relations as the case study. Even though China and Taiwan belong to two different political regimes, and there are strong doubts that China will become more democratic in the future, scholars may need another theoretical framework to better explain the current situation across the Taiwan Strait. A clear concept about the content of states' interests and their causal inferences with regional peace is shown in the next section.

### **A. The Definitions of Interests**

While the question of conceptualizing and operationalizing the idea of interests has been proposed among international relations scholars, there has not been as great a focus on how best to measure interests, and distill them into a useful indicator. This is surprising because interests have long been thought to be a critical element in international conflict studies. As with the discussion of the democratic peace theory, I attempt to marry the conceptualization and operationalization of this concept with the theory that scholars are seeking to test. That is, we need to measure interests over potential objectives, as interests will relate most explicitly to the questions of international conflict.

The process of indicator construction needs to be guided by theoretical discussion. Traditional scholars of international relations studies merely have focused on security related interests.<sup>13</sup> Also, modern international relation scholars have continued to focus on the issue with respect to the interests between types of states. The

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13. Morgenthau also proposes "the concept of interest defined in terms of power." The main idea of interest can be explained by the level of power owned by each state. States can reveal more national interests if they have stronger national power. Instead, less powerful states have weaker capability for securing their basic need.



## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 9

power transition school argues that if states are satisfied with the status-quo (they have no intention of overthrowing the existing system), then there will not be military conflict even if the two states reach parity in power.<sup>14</sup> Scholars used to classify states into two categories with their revealed policy interests.<sup>15</sup>

We should be aware that the definition of national interest is a “slippery concept,” which may require a more multi-dimensional analysis rather than just an explanation of a single dimension.<sup>16</sup> Interests usually combine not only security or material concerns, but also certain moral and ethical ones. For example, with the end of the Cold War, the need to find the power to serve American national security interests vanished due to the collapse of the Soviet Union. The major national interest for the U.S. was to contain the communist movement led by the Soviet Union during the Cold War era. There might be some other new purpose for the United States to adjust its role in contemporary times. Five vital interests are proposed by the Commission on America’s National Interests, and it explains that what the United States needs right now are not power politics, but more moral and ethical values. Nye redefines the core value of interests with three different lists of threats to American foreign policy.<sup>17</sup> He does not try to confuse us about the substance

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14. Their discussion reiterates the dichotomization of status quo and revisionist powers. Moravcsik offers a similar dichotomy when he argues in his article, “In other words, intense conflict requires that an aggressor or revisionist state advance demands to which other states are unwilling to submit.” Please see Andrew Moravcsik, “Taking Preferences Seriously: A Liberal Theory of International Politics,” *International Organization*, Vol. 51 no.6 (December 1997), p.513-54.

15. However, this dichotomy has several problems, which obscures the true definition of interests. First, there are very few purely revisionist or status-quo states in international society. States may switch their policy attitudes from time to time, which means they probably will adopt a mix of revisionist and status-quo strategies. Second, as we combine the types of states and conflict occurrence, it provides some inconsistent results for the studies. The typology provides determinate expectations of conflict only for the pair of status-quo states, but not for the revisionist pairs. Two revisionist states may sometimes seek a common goal and attempt to avoid conflict, but they also have intentions to differ with respect to both means and ends, which will lead to final conflict. Based on these two arguments above, the type of national preferences should be investigated with more effort when we use states’ satisfaction with their international status.

16. Joseph Nye, “Redefining the National Interest,” *Foreign Affairs*, Vol 78 no. 4 (July/ August 1999), p.22-35.

17. In Nye’s idea, the “C list” threat reflects an indirect influence on America’s survival, but dominantly occupy U.S. foreign policy decision. In Nye’s explanations, the “A list” are the threats that the Soviet Union presented to U.S. survival. The “B list” features the imminent threats to U.S. interests, and the “C list” includes the contingent

of states' interests. Instead, he informs us that interests are not revealed solely by the formation of power or security, but also includes economic or institutional concerns.

Another issue that requires more clarification is a general problem with this area of research, both factor and correlational analysis, which teach us that interests are somehow interrelated. For example, states' security and economic attitudes are intertwined with each other, and both should be recognized as the results of an ideology. Gilpin discusses this complementarity in his book, *War and Change in World Politics*. He says international politics is not influenced by security or political issues alone, and changes in the distribution of power also influence global economic relations.<sup>18</sup> Gowa concords with Gilpin's argument, and proposes that foreign economic policy is driven by both security and material policy while security policies have wealth externalities.<sup>19</sup> Keohane later provides an example on how American military power was used to build international economic arrangements consistent with American capitalism in the 1940s.<sup>20</sup> This economic dependence between the United States, Western Europe, and Japan also increased the United States' long term military strength. In Keohane's discussion, the link between "power" and "wealth" of U.S. interests was consistently linked, and there should be no priority for either "power" or "wealth." In general, U.S. economic interests abroad depended on establishing a political environment in which capitalism could flourish, and the U.S. political or security value depended on the economic recovery of Western Europe and Japan. This case

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cies that indirectly affect U.S. security but do not directly threaten U.S. interest. Please see Nye, "Redefining the National Interest."

18. Robert Gilpin, *War and Change in World Politics*, Cambridge, MA: Cambridge University Press, 1983.

19. Previous theories can assist us in creating an analytical framework explaining the basic concept of interests. The focus on national security corresponds to some of the realists' basic arguments about national survival, and the economic domain reflects neoliberals' counter arguments about attention to states' trade behavior. Trade might be considered a fairly common expression of national interests, but a few factors make it less than appealing, because two states engaging in trade does not imply that they agree on everything in the foreign policy realm. Nations that trade must overcome the transaction associated with commerce, and their domestic situation must accommodate the international financial system, which follows globalization. Trade brings an additional economic aspect to describe states' interests in the recent study. Please see Joanne S. Gowa, "Bipolarity, Multipolarity and Free Trade," *American Political Science Review*, Vol. 83 no.4 (August 1989), p.1245-1256.

20. Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy*, Princeton, NJ: Princeton Press, 2005.

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 11

reflects how U.S. national security and economic foreign policies are tightly linked.<sup>21</sup>

While there is a general consensus that interests are interrelated, few authors have paid much attention to the questions of why and how they are related. And while there seems to be general agreement that states' interests are multi-dimensional, there is very little discussion about the categories for the framework. The recent work in this area has been encouraging, and has demonstrated the lack of research on the issue of interrelation. A great deal more needs to be done to correctly to determine how and why specific states' interests are linked together.

Determining the starting point in evaluating the specific meaning of interests is extremely difficult. Since there are numerous dimensions for conceptualizing the main idea, I will settle for the less ambitious goal of providing a precise definition of interests with more theories.

I define interests as the extent to which states attempt to maintain their basic requirements for survival, which refers to their control for vital interests.<sup>22</sup> Liberals criticized that nations do not only care about security issues for their vital interests, as realists argue, but also other interests related to the economy or social welfare.<sup>23</sup> The discussions between neoliberals and neorealists, thus, tell us that the prioritized goal of a state is to survive through both national security and economic welfare.<sup>24</sup>

Scholars should seek out the elements of policy concerns, and diagnose the relationship among the latent concepts and manifest

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21. Economic interdependence creates peace among Asian countries. In Asia, the U.S. provided the collective goods and free access to its vast market to Asia's early industrializers. It created rapid economic growth in several Asian countries, such as Taiwan, South Korea, and Japan. These countries also represent U.S. political and democratic value in East Asia.

22. The reason I adopt security and economic interests as vital interests is because states will struggle to secure their political or economic benefits if they can foresee the danger. Other minor interests, which create no immediate harm to a nation's survival, are not viewed as vital interests in this project.

23. For instance, Lipson believes that international cooperation is more likely in economic related areas than in the security domain. See Charles Lipson, "International Cooperation in Economic and Security Affairs," *World Politics*, Vol. 37 no. 1 (February 1999), p.1-23.

24. States will definitely fight for their core interests, such as territorial invasion, attacks by the weapons of mass destruction, or loss of financial markets or energy supply. Since this project is focusing on the relationship among interests and interstate conflicts, it still provides reliability if we can ignore some minor or secondary national interests.

indicators we observe. As I argue above, security and economic concerns can be identified as certain latent factors. First, the concerns for security issues are typically assessed by examining characteristics of the national military or diplomatic capability of the states. States have intentions to pursue more alliance coalitions for security reasons, stronger military capabilities for national defense, the specific voting behaviors in the United Nations demonstrating their foreign policies, or even the requisition of nuclear weapons for deterrence. The higher the level of security interests in a country, the more we expect these actions to be present in the state. In fact, the desire for more security capabilities has been the top priority for most states.

Economic interests refer to the elements emphasized by political economists, which arguably play very important roles in maintaining world order under examination. Several important elements can be put into the consideration of economic interests, such as trade, Foreign Direct Investment (FDI), monetary policy, and market openness. States putting more emphasis on economic or social welfare will strongly stress these issues. For instance, after the economic reform in the late 1970s, China has shown an average annual rate of more than 9 percent for almost a quarter of a century. China's economic success can be attributed to its policy consideration on the huge amount of international trade, foreign direct investment, and strong market-economy. Not only China, but also other newly industrialized countries, will treat trade and other economic issues as their major policy concerns. One linkage connecting economic concerns with states' behavior is how economic interdependence brings more peace. Even though the majority of scholars agree that trade brings more peace,<sup>25</sup> there is still some ongoing debate over whether trade contributes to international conflict.<sup>26</sup> In

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25. John R. O'Neal and James Lee Ray, "New Test of the Democratic Peace Controlling for Economic Interdependence, 1950-1985," *Political Research Quarterly*, Vol. 50 no. 4 (December 1997), p. 751-775. John R. O'Neal and Bruce M. Russett, "Assessing the Liberal Peace with Alternative Specifications: Trade Still Reduce Conflicts," *Journal of Peace Research*, Vol. 36 no. 4 (August 1999), p.423-442.

26. Liberals argue that trade promotes peace, since the fear of losing commerce causes political decision makers to refrain from engaging in war with important trading partners. Russett and O'Neal's results prove this argument. Liberal and realist theories of interdependence and conflict agree that trade between states will cease once they are engaged in serious forms of conflict with each other. Barbieri and Levy, in contrast, provide a different result from their work. They argue that trade ties do not always deter war, because war does not significantly harm trading partners. Their findings are interesting and compelling while I believe more hypotheses testing and data collecting

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 13

addition to trade, Gartzke's empirical evidence has informed us that it is the financial markets and monetary integration together that creates peace among states.<sup>27</sup> The reason is that global investors will prevent any possible risk, and seek more stable and open local markets for investment. Therefore, it becomes the state leaders' priority to provide a stable and safe environment for all participants. Gartzke's ideas offer a critical and useful theoretical background for us to integrate market openness and monetary integration into the states' economic objectives.

### **B. The Theoretical Assumptions**

Theories in this project argue that states fight because of their opposing opinions and ideas on international issues. One thing should be mentioned prior to the following discussions: I do not focus on a specific dispute or contest over a certain geographic location or resources; these are viewed as incompatible interests because states (or leaders) will definitely fight for those incompatible interests. Incompatible interests have strong links to a leaders' survival, and no leader will sacrifice these incompatible interests to other countries if they value their own survival. Interest similarity in this project, therefore, means a more overall representation of ideological and policy closeness, which is different from what we recognize as ordinary incompatible interests.

One of the issues that Russett and Gartzke do not clearly address is the explanation of why interest similarity will bring about less conflict between states. In order to advance our understanding of the cause of world peace through common interests, the interest similarity argument analyzes the expectations from the most important theories regarding the onset of conflict and conflict escalation.<sup>28</sup> This argument contends that institutions and the policy influenced by the regime structures usefully delineate friends from foes in the international arena, and in this manner, they influence foreign policy preferences and the likelihood of international con-

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can be added into the trade disruption issue. Please see Katherine Barbieri and Jack S. Levy, "Sleeping with the Enemy: The Impact of War on Trade," *Journal of Peace Research*, Vol. 36 no. 4, (August 1999), p.463-479.

27. Erick Gartzke and Quan Li, "War, Peace, and the Invisible Hand: Positive Political Externalities of Economic Globalization," *International Studies Quarterly*, Vol. 47 no.4 (December 2003), p.561-586.

28. Suzanne Werner and Douglas Lemke, "Opposites Do Not Attract: The Impact of Domestic Institutions, Power, and Prior Commitments on Alignment Choices," *International Studies Quarterly*, Vol. 41 no. 3 (September 1997), p. 529-546.

flicts. Actually, the theoretical logic follows Hermann and Kegley's social identity theory, in which they believe that "those in the in-groups can be trusted because they are similar; those in the out-groups are distrusted because they are different and hostile."<sup>29</sup> Hermann and Kegley offer a psychological explanation of world peace, which assumes that the composition of one's in-group/out-group dynamics will influence perceptions of other states.

One of the recommendations here is to adopt the idea of in-group and out-group dynamics as the central mechanism with the extension of how different types of interests influence a states conflict behavior. We might expect, then, that states with similar policy interests will tend to view each other more as in-group members, and perceive those states with similar interests as friends instead of enemies. The perceived affinity and affiliation within a coalescing in-group is prone to include those who subscribe to similar foreign policies and institutions. However, states are more likely to be treated as out-group members if they share different interests.<sup>30</sup>

The reason why in-group/out-group dynamics increase the possibility of conflict is because this clear social identification will increase animosity between states, which will lead to interstate conflict. This distinction leads to the separation of different states, and animosity will easily increase among the states with different ideologies once these separated actors miscommunicate or a misunderstanding occurs. High levels of animosity will decrease trust, making it more difficult for two parties to resolve any dispute. This gives us a strong basis for why the psychological effects of in-group/out-group dynamics will bring about more conflicts between states. Based on the theoretical arguments above, I introduce my first assumption:

*Assumption 1: States in a dyad with similar policy interests are less likely to have militarized disputes.*

In essence, then, the next task here is to investigate security similarities, one of the major categories of national interests, and discuss why it brings about more peace among states. Scholars from

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29. Margaret G. Hermann and Charles W. Kegley Jr, "Rethinking Democracy and International Peace: Perspectives from Political Psychology," *International Studies Quarterly*, Vol. 39 no.4 (December 1995), p.511-533.

30. The basic assumption from the social identity theory clearly points out that in-group/out-group dynamics have an influential identity framework. People are more accepting of those who are familiar and similar, but they distance themselves from those who are dissimilar and less familiar.

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 15

diverse intellectual traditions have agreed that states' security interests vary, and that variation in these interests is a major determinant of interstate conflict. Theoretical arguments connecting security interests and severe interstate conflict suggest that interests are key to the explanation but limited in an important way. This limitation is that there is a tendency to characterize states as either status quo or revisionist, and these two types of states, based on their interests and then deriving conflict expectation from this dichotomy, is famous on the literature.

In fact, the major concept in the social identity theory reveals the impact of a states' image and beliefs about the enemy and considerations of social identity. Political-physiological research seeks to explain why people engage in conflict, and the research suggests that images of the enemy cause states to insulate themselves from the adversary, and create negative attributes to such a group or nation. As Hermann and Kegley argue, "These 'others' can do no right and are motivated to make 'our' lives more difficult."<sup>31</sup> Social identity theorists provide us with information about how people begin to expand their definitions of who belongs in "their groups" (or "in-group" members), and to readjust the nature of the enemy (or "out-group" members).

This study, thus, adopts a novel argument connecting realists' ideas on status-quo power and revisionists with social identity theory. When combining these two traditional theories, we are able to discover some useful links between these traditional arguments. Countries seen as revisionists mainly seek to overthrow the current stable system and try to alter the existing order; however, status-quo powers basically seek to maintain the current distribution of power in the international system. Thus, these two types of states are almost exclusive to each other, and realists expect the most severe interstate conflicts to occur between these two groups. Status-quo states, which are viewed as having similar security interests for peace, are more likely to stay together and unite a close group. Within the group, members unanimously accept the framework of international order, and these satisfactions help maintain stability between group members. Revisionists share dissimilar security interests with status-quo powers, and will be insulated as more outside members. Kissinger's study of the Concert of Europe offers an appropriate case for the argument. Kissinger holds that the

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31. Margaret G. Hermann and Charles W. Kegley Jr, "Rethinking Democracy and International Peace: Perspectives from Political Psychology," p.516.

cause of peace was not that in the wake of the Napoleonic wars most of European great powers had similar national capability; it was the similar security interests in maintaining status quo in Europe.<sup>32</sup> The idea of similar security in maintaining status-quo successfully organized most European great powers, and created alliances to counterbalance Napoleon. It was Europe's great fortune that no such revolutionary powers existed in Europe after the defeat of Napoleonic France. Stability was possible because those in-group members had common security convictions. The case of counterbalancing Napoleon and the arguments above lead to the second assumption:

*Assumption 2: States in a dyad are less likely to have militarized disputes if they share similar security interests.*

Up until the end of the Cold War, "states' interests" always focused on the military defense of the state. The two major international relations paradigms—realism and liberalism—both go on to explain international interactions as the result of relevant actors using their power to pursue their interests. The rise of comprehensive interests, however, represents a major shift away from the centrality of security aspects into two other directions: a shift toward the larger community of interests, and the shift to concerns about the forces of global economic interests. As Keohane and Nye have pointed out, national survival does not only depend on the nation's ability to sustain its military capability, but more importantly, on the globalization of the world economy beyond the stage of complex interdependence.<sup>33</sup>

States rely on trade and economic activities in international society. Theoretical arguments inform us that trade influences foreign policy because military conflicts will generate huge opportunity costs. O'Neal and Russett stated that, "Policymakers avoid the use of force against states with which they engage in economically important trade."<sup>34</sup> Countries that rely more heavily on international trade will suffer more losses if they engage in violent disputes with their trading partners. The cost of conflict will be so high that

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32. Henry Kissinger, *The Trouble Partnership: A Re-Appraisal of the Atlantic Alliance*, Council on Foreign Relations, 1964.

33. Robert O. Keohane and Joseph S. Nye, *Power and Interdependence: World Politics in Transition*, Boston, MA: Little Brown, 1977.

34. John R. O'Neal and Bruce M. Russett, "The Kantian Peace: The Pacific Benefits of Democracy, Interdependence, and International Organizations, 1885-1992," *World Politics*, Vol. 52 no. 1 (February 1999), p. 1-37.



## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 17

policymakers will hesitate to initiate military activities. This phenomenon exists not only among democratic countries; peace exists among any type of government once they have strong economic relations. Increased economic involvement between states leads to more peaceful international order due to the increased opportunity costs of conflict, which deters nations with different regime types from military expansion.<sup>35</sup>

Economic interest is far more complex than we might imagine. It reflects not only the amount of imports or exports between two countries, but also the regulations of market openness and monetary policy. A more open financial market and integrated monetary structure will promote more peace between states.<sup>36</sup> Indeed, commercial interests can strengthen collective ideas about mutual interests and group security. States with common economic interests will have a more identical sense of what constitutes stable global order and also have mutual economic benefits. It is difficult for states to harm their economy by violating trade patterns and mutual commercial benefits with those economic partners. Thus, the idea of common economic interests creates a reasonable explanation for peaceful foreign policy among different types of states.

*Assumption 3: States in a dyad are less likely to have militarized disputes if they share similar economic interests.*

### III. ASSESSING THE VALIDITY OF DYADIC INTEREST SIMILARITY IN HISTORY

It is difficult to confirm the validity of the operationalizations of dyadic interest similarity because the concept is so abstract that scholars fail to obtain concrete measurements. In order to strengthen my theoretical arguments, I plan to utilize two ‘high profile’ dyads, by which scholars can prove the variation with a more intuitive sense of how this variable changes over temporal and spatial domains. In particular, it is important to select dyads with different qualifications, which can show how common interests prevent conflict escalating to war between states. I have chosen two dyads for this demonstration: China-United States (1949-1992), and

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35. Mark Souva and Brandon Prins, “The Liberal Peace Revisited: The Role of Democracy, Dependence, and Development in Militarized Interstate Dispute Initiation, 1950-1999,” *International Interactions*, Vol. 32 no. 2 (April 2006), p.183-200.

36. Erik Gartzke, “The Capitalist Peace,” *American Journal of Political Science*, Vol. 51 no. 1 (February 2007), p.166-191.

Israel-Syria (1949-1992). This paper will focus mostly on the first dyad because of its overwhelming diplomatic and political importance. The other dyad will show the correspondence of my theoretical arguments with events for non-Great Power dyads.

### **A. The China-United States Dyad**

The Sino-U.S. bilateral relationship has improved tremendously since the 1960s due to strong interest similarities. It gives us a successful case of how common interests can decrease conflict escalation. Figure 1 describes the time series of the level of security affinity between China and the United States from 1949 to 1992. The higher scores on this variable represent perfect security preferences while lower scores indicate perfect interests dissimilarity. For example, we can notice that most of the higher levels of the variable are generally after Kissinger visited Beijing in 1972, at the time when Nixon decided to normalize America's relation with China. The lower values of interest similarities are found when the CHIANG Kai-shek administration withdrew from mainland China and became Taiwan with the assistance of the U.S. military. A more detailed discussion found later in the paper offers even stronger support for the validity of this variable.

The People's Republic of China (PRC) was founded during the Cold War era. Two camps were in sharp contention at that time, with China aligned initially with the Soviet Union against the United States.<sup>37</sup> From Figure 1, we can see that the security preferences drop dramatically after 1949. Antagonism, thus, served the purposes of leaders in China and the U.S. better than conciliation. The Chinese Communist Party (CCP) leader Mao, who was focusing on eradicating American imperialism and pro-American sentiment, attempted to realize international communist solidarity. He also adopted a more pro-Soviet Union foreign policy, which eventually resulted in the bloody Korean War in 1950. Actually, both China and the U.S. adopted hostile images against each other, and their overall interests of security policies were in sharp contrast. Meanwhile, more militarized conflicts (or war) occurred after the Korean War. Three conflicts within the Taiwan Strait, which were

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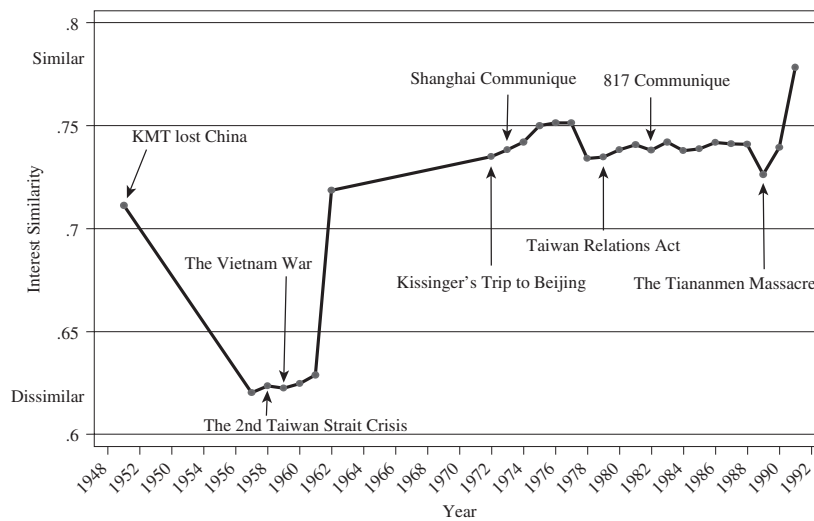
37. In 1960, the "opposition to imperialism, revisionism and reactionaries" became the principal guideline for Chinese foreign policy. China opposed the Soviet Union's revisionism as well as American imperialism. In 1970, Beijing started to gather a great deal of power, and tried to divide international politics into three worlds. Different from the super powers and developed countries, China defined itself as a developing country, and tried to play the leading role among the so-called "third world."

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 19

related to sovereignty claims after an incomplete Chinese civil war, triggered the violent clashes from 1954 to 1962. CHIANG Kai-shek's military forces obtained U.S. security help, and successfully resisted the harassment and attacks from Chinese communists. Even though there was no direct militarized confrontation between the PRC and the U.S. at that time, several studies have already recognized that the militarized disputes fought between CHIANG Kai-shek's Kuomintang and Mao's CCP belong to a war between the PRC and the U.S.<sup>38</sup>

The Vietnam War also elevated tensions and hostilities between China and the United States. Washington recognized that China was offering valuable resources to HO Chi Minh, but in order to prevent a reprise of the bloody confrontation in Korea, the U.S. only openly attacked Chinese soldiers who crossed the border. China, at that time, mainly provided military supplies to support its frontier, to strengthen an ideological fortress, and to build credibility as the leader of the "third world."<sup>39</sup> The dyadic index of interest similarity between China and the United States maintained a low level throughout the late 1950s.

Figure 1: China-U.S. Interest Similarity and Militarized Conflicts 1949-1992



38. COW data set has included the United States into the war between KMT and CCP.

39. Robert G. Sutter, *Chinese Foreign Relations: Power and Policy Since the Cold War*, Lanham, MD: Rowman & Littlefield Publishers Inc., 2012.

The Sino-U.S. relations improved somewhat during the early 1960s, possibly due to the Cuban missile crisis, which actualized the danger of conflict to both the Soviet Union and the United States. Also, the bilateral relations between the Soviet Union and China started to deteriorate in the late 1950s, and this trend subtly changed the triangular relationship of the U.S., China, and the Soviet Union. Washington sought to use the common opposition with Beijing against Moscow rather than continuing to contain China. Both China and the U.S. believed that normalization of bilateral relations would benefit each other geopolitically and strategically. China anticipated the end of U.S. support for the CHIANG Kai-shek's administration and its entrance into the United Nations.<sup>40</sup> Mao also wanted the U.S. on China's side as the Sino-Soviet rift became bigger, and Moscow would not dare attack China. The U.S. also expected that a strong China would serve U.S. interests—a prosperous and stable society in East Asia. Washington, in addition, hoped that normalization would help to end the Vietnam War and strengthen the U.S.'s position in Asia. This is the reason why the bilateral interest similarity marks the beginning of a general increase in Figure 1.

Kissinger's trip to Beijing in 1971, and the signing of the Shanghai Communiqué in 1972, explicitly explains the highest scores of dyadic interest similarity between China and the U.S. since 1949. Nixon's major concern for normalizing the relations with Beijing was to end the Vietnam War, and to stabilize East Asia. The U.S. seemed determined to withdraw from its past policy of containing China in Asia, and thereby ending a perceived threat to China's national security.<sup>41</sup> This process was also complemented by strong Chinese national interests, under the post-Mao period in pragmatic economic modernization, which emphasized the importance of financial and technical support from the West.

The election of Jimmy Carter in 1976 marked a change in America's foreign policy towards China, particularly with Zbigniew Brzezinski taking over as National Security Adviser. Several

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40. In the 1950s and 1960s, China rejected nominal multilateralism because of national security concerns and fear of imperialism. However, in 1970, the third world theory allowed for China's involvement in international organizations. The substitution of the PRC for ROC in the United Nations was the main reason for the PRC to take part in international organizations. But it was only in nominal, not quantitative, multilateralism.

41. Robert G. Sutter, *Chinese Foreign Relations: Power and Policy Since the Cold War*.

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 21

stances the Carter Administration took in regards to foreign policy proved this shift in policy. Brzezinski intended to play the “China card” against the Soviet Union in Africa, the Middle East, and in arms control.<sup>42</sup> In fact, Brzezinski did not look for a simple diplomatic accommodation, but he wanted military ties. According to Tucker:

The Carter administration sold Beijing weapons technology and wherever the U.S. could not make a sale, Brzezinski proved willing to find a European supplier. The administration also provided the Chinese with intelligence regarding Soviet troop deployments and military facilities, and sought China’s agreement to host a monitoring station in Xinjiang to replace facilities lost to the Iranian revolution.<sup>43</sup>

The statement above reveals that a strong and cooperative Sino-U.S. relationship would promote U.S. security interests. Also, a high degree of interest similarity offers a low possibility of severe disputes between these two countries.

The Sino-U.S. relation did not always maintain a high level of harmony between the 1970s and the 1980s. The United States Congress passed the Taiwan Relations Act in 1979, which seemed to compensate for the losses of formal diplomatic relations between the U.S. and the Taiwanese government. The informal Taiwan-U.S. interaction, according to the Taiwan Relations Act, provided the mechanisms for sustained defensive weapons sales and potential U.S. security aid in the event of an attack. This did not serve as an ideal interest for the DENG Xiaoping administration, and dropped the Sino-U.S. similarity scores. Beijing searched for opportunities to resolve the troubling Taiwan issue, including the signing of the Joint Communiqué in August 17, 1982 (817 Communiqué). In this communiqué, the U.S. government literally agreed to reduce and to ultimately eliminate U.S. arms sales to Taiwan.<sup>44</sup> However, President Reagan ultimately gave Taiwan “Six Assurances” after he signed the Joint Communiqué with Beijing. These six assurances declared that Washington had not set a date for ending arms sales, and would not consult Beijing prior to sales. Generally speaking,

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42. Nancy B. Tucker, “The Evolution of U.S.-China Relations.” In *Tangled Titans*, ed. David Shambaugh, Lanham, MD: Rowman & Littlefield Publishers Inc., 2013.

43. *Ibid.*, p.36.

44. Reagan was more sympathetic to Taiwan, and talked about restoring diplomatic relations with Taiwan during his campaign.

although the 817 Communiqué was signed between China and the U.S., it did not successfully depict a concord policy similarity as shown in Figure 1.

Beijing and Washington have maintained a stable and harmonious relationship since the early 1970s with only minor disagreements on some foreign policy decisions. In general, the two powers have not experienced any major diplomatic nor militarized confrontations. The Tiananmen Massacre in 1989 shattered the U.S. national consensus on the merits and importance of ties with China. The image of the brutal massacre strongly contradicted China's reputation at the time. American belief in a liberalizing and democratizing China decreased suddenly. Meanwhile, with Sino-Soviet reconciliation, the strategic rationale for a U.S.-China rapprochement crumbled and revealed the huge differences in cultural, political, and security interests. This is the reason we see a huge drop in their interest similarity scores, as indicated in Figure 1. Because of rapid economic interdependence and close trade network, American and European investors returned to China attracted by the growth stimulated by DENG Xiaoping's 1992 "southern journey." Economic incentives once again caught politician's eyes, and pulled bilateral relations back to the normal standard.

This section has clearly demonstrated that the operational measures of the key variable validly reflect the underlying concepts of dyadic interest similarity for the China-U.S. dyad. The measure rises and falls in response to changes in interests made by either state that had a material effect on its policy preferences. In particular, the measure is more responsive to our intuition of important expressions of national security interests. Not only does the measure clearly indicate the low points in China-Soviet cooperation (the Korean War, the 2nd Taiwan Strait Crisis, and the Vietnam War), but it seems responsive to even slight preference shifts that other indicators could not fully cover. Additionally, the measure offers a clear picture illustrating the basic bilateral relation between interest similarity and war scenarios for the two major powers. As similarities increase, the chances of intensive rivalries or conflict escalation decrease as see in Figure 1. After China and the U.S. normalized their relationship, both sides attempted to mitigate intense situations, and even prevented potential conflict from escalating to large scale war. The next section will briefly investigate the measure in other dyads (non-Great Power) to further establish the indicator, which can be applied to more than just the China-U.S. dyad.

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 23

**B. The Israel-Syria Dyad**

As seen in the previous case, the closer the interests are, the less conflict might escalate. In this section, I use a non-Great Power dyad to support the theoretical argument. Figure 2 displays the time series for the interest similarity variable in the two Middle East Dyads, and this variable fits the theory well. It is not necessary to create a list and describe all the events in detail, but a few points can help us to understand this phenomenon. First, historically, the Israel-Syria dyad was never quite at peace. These two countries have struggled over territory as well as other political issues for several decades. The Israelis spent most of the time attempting to maintain their security interests and isolating the Arab minority within their borders. As Figure 2 shows, the situation of dyadic interest similarity for these two countries went from bad to worse (a downturn slope). Two well known violent incidents will be utilized for the case here. First, during the Six Days War in 1967, the Israeli military took over the West Bank of the Jordan River from Jordan, and the Golan Heights from Syria after several clashes along the border. This militarized conflict and interest confrontation between the Israeli and Syrian governments deteriorated the bilateral relations and ultimately led to the 1973 Yom Kippur War. During the war, Syria and Egypt launched a coordinated attack, and temporarily recovered areas lost in the Six Days War. However, Israel countered and retook their earlier losses, and a temporary peace was created by the United States and the Soviet Union. The diverse preferences for the Israel-Syria dyad created violent and bloody disputes in the region.

The second issue that needs to be mentioned here is the Israeli and Syrian confrontation in the 1970 Jordan Civil War. According to Huth, it is a typical case of policy dissimilarity between the Israeli and Syrian governments, which encouraged both countries to prepare for escalating disputes.<sup>45</sup> In fact, Syria backed the Palestinian rebels, the *fedayeen*, while the United States and Israel backed the King of Jordan. According to Israeli Prime Minister Allon, “. . . Israel would follow developments there [in Jordan] very closely in order to protect Israel’s legitimate security interests.”<sup>46</sup> It was Israel’s ideal interest to ensure that the moderate King Hussein would not be replaced by a more militant regime, for instance, the

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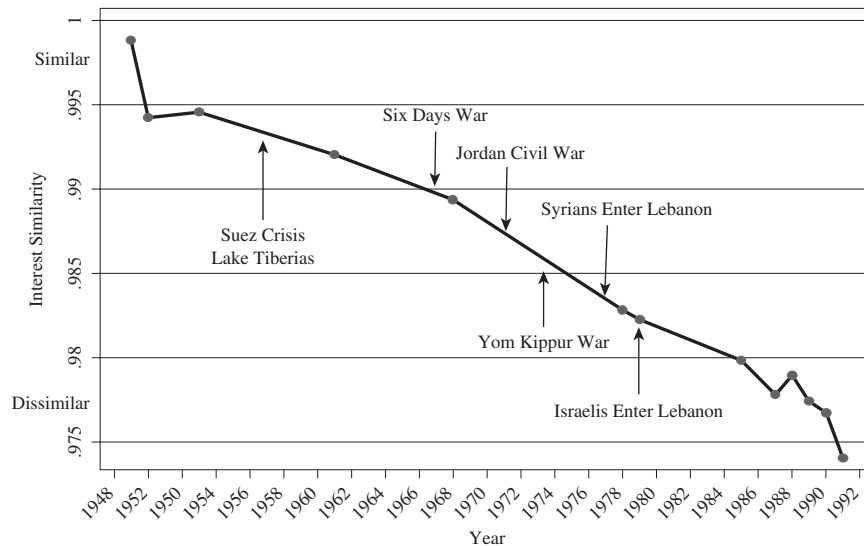
45. Paul K. Huth, *Extended Deterrence and the Prevention of War*, New Haven, CT: Princeton University Press, 1988.

46. *Ibid.*

leaders of the *fedayeen*. In contrast, the Syrian regime, headed by President Nureddin al-Atasi, was a strong supporter of the rebels and opposed King Hussein. The threat of Israeli intervention eventually played a critical role in Syria's decision to withdraw from northern Jordan in the same year.

The most prominent point in this dyad should include the discussions about both parties' struggles in Lebanon. Syria entered the Lebanese Civil War in 1976 to assist the side of the Palestinians, and the Christians in Lebanon later on obtained the support from the Israeli military. The militarized disputes have waxed and waned since then, which has destabilized the region. Both Syrians and Israelis have constantly supported different factors in order to maintain their interests there, and have prevented the other from gaining control. Even the 1979 Camp David Accords did not provide any pacifying effects on the dyadic conflict situation. In sum, the Israel-Syria dyad provides a contrast to the Sino-U.S. dyad: a dyad with dissimilar interests in which even minor disputes raise the possibility of dramatic escalation. From the two cases illustrated above, this measure of dyadic interest similarity gives us validity in a wide range of interstate dyads.

Figure 2: Israel-Syria Interest Similarity and Militarized Conflicts 1949-1992





## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 25

**IV. COMMON SECURITY INTERESTS BETWEEN CHINA AND TAIWAN**

Scholars of international relations argue that two types of states exist in the international system, and whichever type a state aligns with clearly explains that state's basic security concerns. This typology characterizes states as either status quo or revisionist, with these definitions basing their interests on international security and then deriving conflict expectation from this dichotomy.<sup>47</sup> By applying the definitions and investigating the results of security similarity through the discussion of maintaining the status-quo scenario, we discover that status quo brought about longer peace for the Taiwan Strait. As Taiwan transitioned to democracy, advocacy for Taiwan independence became more vocal. Conversely, China views *de jure* independence for Taiwan as unacceptable, and warns Taiwan repeatedly that a declaration of independence will leave China no choice but to attack Taiwan. China even passed an anti-secession law to show its determination against any move by Taiwan in that direction.<sup>48</sup> Therefore, the evidence above shows that *de jure* independence may lead to an unavoidable war.

On the island, public opinion on political association between Taiwan and China is much more complicated: some advocate for Taiwan's independence; some believe that Taiwan and the mainland should be reunified sooner or later; and there are others (often a majority or close to a majority in the polls) who feel that the status quo (or *de facto* independence) which is neither *de jure* independence nor unification, may be the best option for Taiwan under the current circumstances.<sup>49</sup>

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47. Morgenthau called them imperialistic and status-quo powers. Hans J. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*. Moravcsik also offers a similar dichotomy on these two types of states, including revisionist or status-quo states. The clear dichotomy can also be seen in realist literature. Please see Andrew Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics."

48. See Ji You, "China's Anti-Secession Law and the Risk of War in the Taiwan Strait," *Contemporary Security Policy*, Vol. 27 no.2 (Fall 2006), p.237-257. Robert S. Ross, "Taiwan's Fading Independence Movement," *Foreign Affairs* (2006), p.141-148.

49. For the issue of Taiwanese public opinion on the independence or unification, see John Fuh-sheng Hsieh and Emerson M.S. Niou, "Measuring Taiwanese Public Opinion on the Taiwan Independence Issue: A Methodological Note," *China Quarterly*, Vol 181 no.1 (March 2005), p.158-168. Ever since the establishment of the Democratic Progressive Party (DPP) in Taiwan, the unification versus independence question not only has been one of the primary issues by which political parties in Taiwan distinguish themselves from one another, but it has also been the dominant factor in affecting vote choice. See John Fuh-sheng Hsieh and Emerson M. S. Niou, "Salient Issues in Taiwan's

Strictly speaking, both unification and independence represent change from the status quo. However, as far as China is concerned, unification is a desirable goal, and it will definitely not take military action against Taiwan if the latter so desires. It is *de jure* independence that will prompt China to take drastic actions against the island. However, previous Chinese leaders could not adopt any provocative or active movement to reunite Taiwan, since the U.S. still provides security support for Taiwan. Even though the mainland's policy relative to Taiwan is often viewed as separate from its broader foreign-policy orientation, there is evidence showing that preferences for restraint and maintenance of the status quo are beginning to shape cross-strait relations. Previous Chinese leader, HU Jintao, realized that the chance of unification between China and Taiwan was slim during his term, and he downplayed the traditional strategy toward cross-strait relations while increasing the maintenance of the status quo and economic cooperation with Taiwan.<sup>50</sup> For instance, HU Jintao's proposal after the "Economic Cooperation Framework Agreement" (ECFA) showed a willingness to sign the "Comprehensive Economic Cooperation Agreement" (CECA) with Taipei, and to seek ways to link cross-strait common development with Asia-Pacific economic integration. In general, as long as Taiwan does not force China to use coercive power by declaring independence, leaders in Beijing prefer a more peaceful strategy that leaves open the possibility of unification at some indefinite point in the future.<sup>51</sup> The major security preference for the current cross-strait relations still remains on status quo track, and maintaining the status quo will bring continued stability and manageable situations across the strait.

In order to examine the argument of security similarity's effect on peace, I will further analyze three major China-Taiwan cases. The first case is the 1995-96 Taiwan missile crisis. The second one is President MA Ying-jeou's mainland policy and how he attempts to

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Electoral Politics," *Electoral Studies*, Vol. 15 no.2 (Fall 1996), p.219-230; Tse-min Lin, Yun-han Chu, & Melvin J. Hinich, "A Spatial Analysis of Political Competition in Taiwan," *World Politics*, Vol. 48 no.4 (August 1996), p.453-481.

50. Hu intentionally failed to mention any issue relative to reunification during the two Pan-Blue leaders, Lien Chan's and James Soong's, visit to China in 2005. He then shows that Beijing had strong national interests in promoting more peace with Taiwan because war would only destroy the established economic order and generate too many uncertainties, such as domestic instability, a military stalemate, and a potential war with the United States.

51. Yun-han Chu, "Taiwan's National Identity, Politics and the Prospect of Cross-Strait Relations," *Asian Survey*, Vol. 44 no.4 (Spring 2004), p.484-512.

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 27

manipulate a more pro-status quo mainland policy. The third case relates to Taiwan's decreasing defense expenses, and the United States' eroding support of Taiwan's provocative mainland policy. The Taiwan missile crisis offers a negative case showing that opposite ideas on security concerns may initiate an imminent militarized dispute, while the second case about Ma's mainland policy and decreasing defense budget examine the positive effect security similarities have on peace.

The Taiwan missile crisis began with President Lee's visit to Cornell University in June 1995. China was irritated by President Clinton's administration's decision to grant a visa to Lee, as well as Lee's speech at Cornell. China was also concerned about the first presidential election in Taiwan, which was scheduled for March of the following year. China was suspicious of Lee's real intentions regarding the independence-unification issue, and was worried about the prospect of Lee's reelection.

Under the pressure of hawkish elements in the Chinese party-state, in particular, the People's Liberation Army, Chinese leader JIANG Zemin decided to take tough actions.<sup>52</sup> Thus, in July, China announced that it would test its surface-to-surface missile program, and it indeed fired missiles targeted at an area less than one hundred miles from Taiwan's coast. China also amassed a large number of troops in the Fujian province right across the Taiwan Strait from Taiwan. China's goal was to assert its sovereignty and territorial integrity, and to show its determination.

The 1995 Taiwan missile crisis clearly informs us that once China and Taiwan shift away from a mutual consensus on the maintenance of the status quo, there is a high probability that both sides may engage in a serious militarized dispute.<sup>53</sup> Both China and Taiwan have clearly recognized this issue, and it is the reason that during the 2007-2008 presidential election campaign, the KMT candidate MA Ying-jeou proposed a "modus vivendi" approach to cross-Strait relations. This approach included "mutual non-denial" and the "three-no's," including no unification, no independence,

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52. Mdel Gurtov and Byong-Moo Hwang argue that the military became outraged and took initiative in pressing for a harsh response. Mel Gurtov and Byong-Moo Hwang, *China's Security: The New Roles of the Military*, Boulder, CO: Lynne Reiner, 1998, p. 274-279.

53. Leaders on both sides of the Strait realized that this was a major theatrical event, with each person playing a clearly defined role. Ji You, "Making Sense of War Games in the Taiwan Strait," *Journal of Contemporary China*, Vol. 6 (1997), p. 287-305.

and no use of force.<sup>54</sup> The “three-no’s” policy could be viewed as the principle choice for maintaining the status quo for both sides because as long as Taiwan does not declare a *de jure* independence, any use of force by China against Taiwan will be viewed as unnecessary and unjust. Beijing has already recognized mutual consensus on the security preferences, and encourages both sides to return back to the normal track of cross-Strait relations.

The so called “diplomatic truce” is one of President Ma’s successful foreign policy achievements and represents a symbol of peaceful development across the Strait. It has been a diplomatic task for the Taiwanese government to expand its international space, especially during the eras of former president LEE Tung-hui and CHEN Shui-bian. During Lee and Chen’s administration, the Taiwanese government believed increasing the number of diplomatic allies represented a successful foreign policy. However, after President Ma was elected in 2008, China became the single most significant factor determining the number of Taiwan’s diplomatic allies. Several of Taiwan’s allies attempted to establish a diplomatic relationship with China since May of 2008. For instance, China rejected pleas from Panama and Paraguay to establish diplomatic relationships with Beijing in order to honor this special moment of peace across the Taiwan Strait.<sup>55</sup>

From the discussion above, we are able to discover an intriguing fact. President Ma’s diplomatic truce has received some positive responses from Beijing, and it is clear that the truce also has benefits for China. Before May 2008, China launched several diplomatic attacks against Taiwan, and Taiwan suffered dramatically from this highly expensive diplomatic warfare on the maintenance of the alliance balance. However, both Beijing and Taipei utilized the benefits introduced by the security consensus to repair the dangerous dyadic relationship. In fact, after President Ma’s “modus vivendi”

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54. The three-no’s policy can be served as the foundation for the future negotiations on cross-Strait issues. Unification is not acceptable to the majority of Taiwanese, while independence will bring a disastrous situation for both sides. See Chen Edward I-hsin, “The Security Dilemma in U.S.-Taiwan Informal Alliance Politics,” *Issue and Studies*, Vol. 48 no.1 (March 2012), p.1-50.

55. Dean Chen, “The Strategic Implications of MA Ying-jeou’s ‘One ROC, Two Areas’ Policy on Cross-Strait Relations.” Even Gambia decided to cut ties with Taiwan on November 15th, 2013, and this break leaves Taiwan with only three diplomatic allies in Africa now. China’s government said that Beijing had nothing to do with the decision by the Gambia to terminate its diplomatic relationship with Taiwan. See <http://www.wantchinatimes.com/news-subclass-cnt.aspx?cid=1101&MainCatID=11&id=20131116000124>.

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 29

approach, none of the 22 states that have formal diplomatic ties with Taipei have defected to Beijing. In short, President Ma's diplomatic truce, combined with a stable mainland policy, has successfully eased the tensions between China and Taiwan. The new flexible and pragmatic foreign policy, which is entirely different from the aggressive approach of the previous two presidents, has allowed Ma to rebuild mutual trust and a stable relationship with mainland China.

Aside from the mutual consensus on slowing the diplomatic warfare, Taiwan and China seek far more similar security interests. Taiwan, unlike Japan or India, could not afford increasing its own efforts to balance against China's growing power.<sup>56</sup> Taiwan's military spending is entirely inadequate to meet the potential military task it faces, suggesting that it either believes it has at least some security commitment from the United States if China starts its coercion, or it is pointless to resist China's attack.<sup>57</sup> Some of the Taiwanese intellectuals continually focus on pleading for broader coverage from the U.S., based on the interpretation of the 1979 Taiwan Relations Act. Nonetheless, there are strong suspicions that the United States might fail to fulfill its commitment toward Taiwan.<sup>58</sup> Since Taiwan does not have sufficient capability to balance against China, there are some voices proclaiming that there is no damage in turning to appease China, leaving their security at the mercy of the Chinese leadership.<sup>59</sup> Decreasing military competitions introduces positive benefits for Taipei, and this type of security similarity also attracts positive feedback from mainland China.

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56. Justin Logan, "China, American, and the Pivot to Asia," *Policy Analysis*, (January 2013), p. 2-27.

57. According to Logan, he points out one recent study from the RAND Corporation, which suggested that in the event of a war, China could potentially ground the entire Taiwan Air Force before it could take off by cutting all of the runways at Taiwan's fighter bases. Also, see David A. Shlapak et al., *A Question of Balance: Political Context and Military Aspects of the China-Taiwan Dispute*, Santa Monica, CA: RAND Corporation, 2009.

58. The cross-Strait relations have been, and will continue to be asymmetric. The power gap between China and Taiwan is enormous, and stability can hardly be maintained with arms sales alone. Thus, Taiwan's fear of abandonment will be much greater once the United States starts to decrease the amount of arms sales, or becomes even more ambiguous on its cross-Strait policy. Taiwan may be afraid that the United States will realign with China. Moreover, some observers adopt the standpoint that the United States would not take a firm stance on any use of force by China against Taiwan. This assumption, in turn, leads to a suspicion that the rise of China will eventually lead to Taipei's surrender.

59. Logan, "China, American, and the Pivot to Asia," p. 13.

The condition that constrains a small states foreign behavior is power. Power preponderance will encourage the secondary states to create more similar interests, and benign attitude against their greater neighboring power. In order to support the arguments mentioned above, I compare the widening gap of power between China and Taiwan in Figure 3, which contains both China and Taiwan's military expenditure as a percentage of the Gross Domestic Product (GDP) in percentages from 1995 to 2012.<sup>60</sup> During President Lee's administration, military expenditure occupied a high percentage of GDP value in comparison to President Ma's administration. It has dropped from 4.2% in 1995 to 2.3% in 2012, and from 24.3% of total government spending to 16.2% in the same period.<sup>61</sup> After MA Ying-jeou became president in May 2008, he has retained the goal of defense budgets a little over 2% of the GPD, or about 16% of total government spending. President Ma also cut Taiwan's defense budget in 2009, 2010, and 2011 before providing a one-time increase in 2012.<sup>62</sup> This informs us of one critical phenomenon: the decline defense and military expenditures strengthened the strong consensus for regional stability between Beijing and Taipei. At least, President Ma and his administration made the first strategic move in attempting to mitigate the binary rivalry, hoping to create a more stable and longer lasting peace across the Taiwan Strait.

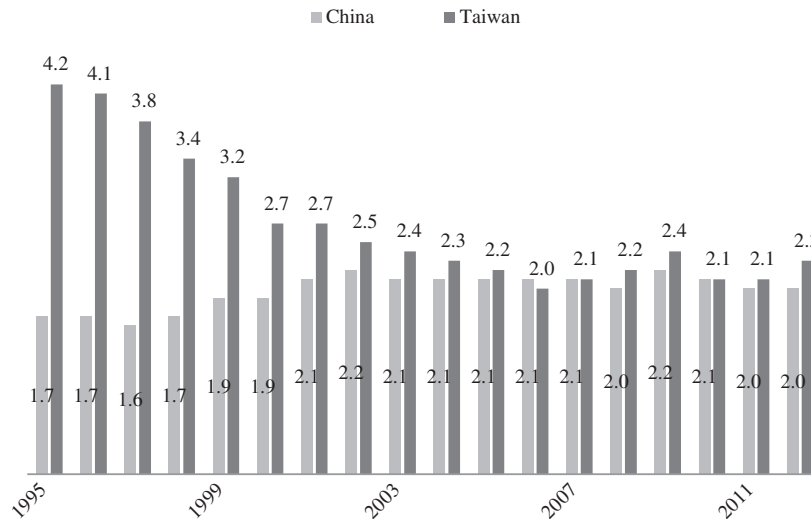
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60. In the studies of international politics, scholars adopt military force as the representative of a state's effective powers. This is the reason why I use military expenditure as a percentage of the GDP for the measurement of power. See John Mearsheimer's discussions in *The Tragedy of Great Power Politics*, p. 55-82.

61. Shirley A. Kan, *Taiwan: Major U.S. Arms Sales since 1990*, Washington DC: Congressional Research Service (July 3, 2013), p. 44.

62. *Ibid.*, p. 43. When asked about Taiwan's cuts in the defense budget during President Ma's address to the United States on May 12, 2011, President Ma claimed that the defense budget could not keep up with the rapid GDP growth. The Ma administration has argued that defense spending is down temporarily due to factors such as the costs of rebuilding after Typhoon Morakot in 2009. However, Taipei offers little revision before Ma leaves office in 2016. The evidence above demonstrates that Ma's administration has plans for a lower national defense budget than previous presidents. See "Alarm Over Taiwan Strait, Taiwan for both Taipei and Washington to shore up the island's deteriorating defenses." *The Wall Street Journal*. <http://online.wsj.com/news/articles/SB10001424052702304448204579181054107049482>

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 31

*Figure 3: PRC and ROC Military Expenditure of GDP (%)*<sup>63</sup>

In order to reduce cross-Strait tensions, the most efficient way is to decrease the existence of military trade between Taiwan and United States. Two pieces of evidence related to the U.S. security assurance to Taiwan may support this argument. First, the decreasing number of arms sales from the U.S. to Taiwan has constantly disturbed and influenced Taiwan's national defense. As indicated in Figure 4, the amount of arms exports from Washington, D.C. has declined since 1997.<sup>64</sup> There was a slight increase in the amount of arms sales during President Chen's second term; however, the total amount of arms trades have remained flat since 2007. Compared with LEE Tung-hui and CHEN Shui-bian, President Ma has received small amounts of military sales from the United States, especially during his first term (2008-2012). Recently, Taiwan's defense ministry issued a formal statement warning that by 2020 China will be able to successfully invade the democratic island and fend off

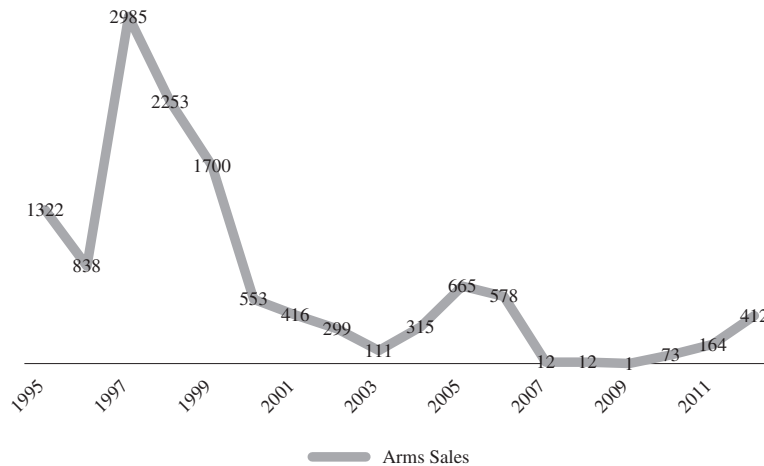
63. Source: SIPRI Military Expenditure Database. [http://www.sipri.org/research/armaments/milex/milex\\_database](http://www.sipri.org/research/armaments/milex/milex_database). Figures are in US \$M., at constant 2011 prices and exchange rates, except for the last figure, which is in US \$M. at 2012 prices and exchange rates

64. The 1995-96 Taiwan Strait Crisis can be viewed as the main reason why there was a peak in arms sales between the U.S. and Taiwan in 1997.

any foreign intervention.<sup>65</sup> The insufficient military assistance may increase the sense of insecurity, and also encourage some type of accommodation strategy in Taiwan.

It reveals that even though American foreign policy today favors the U.S. and Taiwan's positions and deters China's use of force against Taiwan, Washington focuses more on a peaceful resolution of the Beijing-Taipei impasse.<sup>66</sup> Unnecessary non-defensive weapon systems transferred to Taiwan will only endanger the status quo across the Strait. For instance, the U.S. has refused to sell Taiwan new F-16 C/D fighter jets, let alone the stealth F-35. This leaves the island with insufficient replacements for its ancient fleet of F-5s, which is set for decommissioning in 2019. Furthermore, in 2012, Washington agreed to upgrade the 145 F-16 A/B fighters that Taiwan bought in 1992, but the agreement of upgrading the F-16 A/B fighters will not improve the planes with more advanced capabilities.

Figure 4: Volume of Arms Exports from U.S. to Taiwan from 1995-2012 (in Million \$)<sup>67</sup>



65. "Alarm Over Taiwan Strait, Taiwan for both Taipei and Washington to shore up the island's deteriorating defenses." *The Wall Street Journal*. <http://online.wsj.com/news/articles/SB10001424052702304448204579181054107049482>

66. Sutter, *Chinese Foreign Relations*, p. 170.

67. Source: SIPRI Arms Transfer Program. <http://portal.sipri.org/publications/pages/transfer/splash>

Note: Figures are millions of SIPRI trend indicator values (TIVs) and cover deliveries of major conventional weapons, as defined by SIPRI.



## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 33

As some Pentagon officials admit, military exchanges with Taiwan are riskier “in an environment of improving Taiwan-People’s Republic of China ties.”<sup>68</sup> In order to decrease the likelihood of a U.S. conflict with China, the change in arms sales to Taiwan “would remove the most obvious and contentious flash point between the U.S. and China, and smooth the way for better relations between them in the decades to come.”<sup>69</sup> Decreasing arms sales does not only create more stability, but also fulfills both the U.S. and China’s mutual security interests.

Additionally, an ambiguous security commitment from the U.S. may discourage Taiwan from balancing against China, which also offers certain significant effects on increasing political consensus between China and Taiwan. The reason is, on the one hand, that the United States intends to maintain heretofore-good relationships with Taiwan, but on the other hand, given the growing ties between the U.S. and China, Washington does not want to disrupt its stable relationship with Beijing. It is beneficial for the U.S. if China and Taiwan were to maintain the status quo in East Asia. The U.S. government has adopted “strategic ambiguity” as their basic principle for handling cross-Strait affairs.

This type of ambiguity has changed gradually during President Obama’s administration. Contrasted with the high points of U.S. support for Taiwan during President George W. Bush’s term, the Obama administration demonstrates more reluctance to face the changing military imbalance between China and Taiwan. Administration leaders today seem firm in efforts to deter China’s use of force. The U.S. support for MA Ying-jeou’s rapprochement with China is seen positively as sustaining conditions for an eventual peaceful resolution.<sup>70</sup>

Alternatively, eroding support from the U.S. can be gleaned from the current U.S. government’s level of attention towards Taiwan. There has been an important shift in Asia-Pacific regional dynamics under President Obama’s strategic structure. When Secretary of State Hillary Clinton spoke in Hawaii in October 2010, Taiwan was not included in the landmark speech. This demonstrates that the full extent of stronger U.S. engagement ranges across the

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68. Kerry Dumbaugh, *Taiwan-U.S. Relations: Recent Developments and Their Policy Implications*, Washington, DC: Congressional Research Service (January 7, 2009), p. 18.

69. Glaser, “Will China’s Rise Lead to War? Why Realism Does Not Mean Pessimism,” p. 87.

70. Sutter, *Chinese Foreign Relations*, p. 171.

entire Asia-Pacific region, from India to the Pacific Islands, but does not include Taiwan. Taiwan has maintained a low public profile during President Obama's administration's greater regional activities.<sup>71</sup> Based on the facts, there is an indication that eroding support from the United States may gradually encourage future political and security cooperation between China and Taiwan.

## V. COMMON ECONOMIC INTERESTS BETWEEN CHINA AND TAIWAN

In addition to security interests and peace, scholars also find that states with common economic interests have less severe disputes.<sup>72</sup> This section reviews some links between economic interests and peace, arguing that if both states in a dyad pay attention to capitalist interests, they are more likely to experience a perpetual peace. In fact, if both states in a dyad focus on capitalism, including state capitalism or a *laissez-faire* system, they all can be viewed with similar economic similarity. These capitalist peace arguments involve debates about whether free trade or open markets are positively related to world peace. Recent scholarly research has focused on this important issue.<sup>73</sup>

The following is a brief discussion regarding the differences of capitalist peace theories in international relations literature. The root of capitalist peace can be traced to Erich Weede's insight, built on the classical economic theory, of how trade and economic relations between states create peace.<sup>74</sup> Alternatively, Gartzke shifts away from the traditional Kantian triad of international trade, democracy, and international organizations towards more economic

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71. *Ibid.*, p. 172. Not only the Obama's administration, but the decline in congressional support also influenced the U.S. security commitment. Sutter mentions that few members of the House of Representatives actually visit Taiwan. Even though they visit the island, Congress members offer an adverse view of Taiwan's interests.

72. Maoz et al., "Structural Equivalence and International Conflict: A Social Networks Analysis," p. 664.

73. For the discussion of capitalist peace theory, see Erik Gartzke, "The Capitalist Peace." Erik Gartzke and Joseph J. Hewitt, "International Crises and the Capitalist Peace." Also, see Michael Mousseau, "The Nexus of Market Society, Liberal Preferences, and Democratic Peace: Interdisciplinary Theory and Evidence," *International Studies Quarterly*, Vol. 47 no.4 (December 2003), p. 483-510; and "The Social Market Roots of Democratic Peace," *International Security*, Vol. 33 no.4 (Spring 2009), p. 52-86; and "Coming to Terms with the Capitalist Peace," *International Interactions*, Vol. 36 no.2 (April 2010), p.185-213. Patrick McDonald, *The Invisible Hand of Peace: Capitalism, the War Machine, and International Relations Theory*, Cambridge, MA: Cambridge University Press, 2009.

74. Weede, *Economic Development, Social Order, and World Politics*.

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 35

attributes associated with capitalism and potentially competing causes of peace.<sup>75</sup> His findings remind us of an interesting principle: democracy may make no significant and independent contribution to peace; however, it is economic freedom associated with capital openness, which encourages states to emphasize peace. Gartzke dismisses trade as a proper capitalist variable; instead, he adopts development as well as market openness to represent the meaning of capitalism.<sup>76</sup> Gartzke's arguments thus contribute to the supplement of Kantian peace, and also move us beyond the polarized debate that portrays capitalism as a source of conflict or peace.

When applying the theoretical arguments of capitalist peace to East Asian studies, we discover that China has changed its national interest from a communist ideology promising future gains in social equality, to a more open economy with western capitalist values.<sup>77</sup> This change enabled China to receive more foreign direct investment, private ownership, and competitive markets—all of which propel economic expansion. Even though there are still debates and doubts regarding China's economic system, arguing that the economic system of China is just a "partially marketized economy" in a non-democratic country, economic reform and globalization moved China's economic interests in the direction of a more open-market. Certainly, a decreased willingness to threaten economic growth has led Beijing to embrace territorial restraint and multilateral cooperation, which created more peaceful and constrained behavior with its neighboring countries.<sup>78</sup> We can argue that China's intentions, and

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75. Gartzke, "The Capitalist Peace," p.166-191.

76. As Gartzke notes, several mechanisms associated with capitalism are capable of mitigating the causes of war. Please see "The Capitalist Peace," p.171. He uses the Falklands War as an appropriate case elaborating how development can lead countries to be more likely to engage in conflicts far from home. The British estimated the expected utility of projecting their naval forces overseas by winning the war, or abandoning their influence in South America to the Argentine government. Domestic development and military technology strengthened the confidence of Thatcher's administration.

77. In McDonald, *The Invisible Hand of Peace: Capitalism, the War Machine, and International Relations Theory*.

78. For Beijing's improved relations with its neighbors, see Allen Carlson, "Helping to Keep the Peace: China's Recent Stance on Sovereignty and Multilateral Intervention," *Pacific Affairs*, (2004), p. 9-27. For the memberships of international organizations, see Margaret M. Pearson, *China in Geneva: Lessons from China's Early Years in the World Trade Organization. New Directions in the Study of China's Foreign Policy*. Robert S. Ross and Alastair Iain Johnston, Stanford, CT: Stanford University Press, 2006, p.242-275.

the motivation to create a more peaceful investment environment, are close to those capitalist peace states.

Furthermore, this study does not focus on debating whether China is a full capitalist state. In contrast, I argue that China has a peaceful characteristic similar to those capitalist peace states. The priority of economic growth and open-market strategy carries important foreign policy implications. China reversed its communist intentions, and expanded its relationship with the broader global economy. China also embraced foreign investments and technology to stimulate exports and economic growth. For instance, DENG Xiaoping argued that a peaceful and developed society would boost the Chinese economy while China's grand strategy with the peaceful rise ideology also promotes a peaceful investment environment. The issue of China's peaceful rise was commented on by ZHENG Bijian, a former principal of the Chinese Communist School, who gave a speech at the Bo'au Forum in 2003. Zheng emphasized that by continuing to implement reforms and open markets to foreign investment, China would not follow the strategy of previous rising powers, such as Germany and Japan.<sup>79</sup> Neither would China seek to destabilize the international system nor pursue territorial expansion. In other words, China would mainly focus on domestic development as well as economic cooperation with other countries. Zheng also proposed that open global markets and capitalism would help China formulate a new security concept, which seeks to build mutual trust and mutually beneficial cooperation with other states. Therefore, if the value of capitalism reformed the Chinese security concept and also guided China's new security diplomacy, there may perhaps be a different atmosphere between China and Taiwan.

Similarly, Taiwan has carried out its economic policy based on the states' interests. Economic policy will be more or less influenced by security concerns. One example lies in the debate between the *Kuomintang* (KMT) and the *Democratic Progressive Party* (DPP) regarding Taiwan's mainland policy, especially as it relates to all economic interactions with China.<sup>80</sup> During LEE Tung-hui's era,

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79. Bijian Zheng, "China's Peaceful Rise to Great-Power Status," *Foreign Affairs*, 6 (2005), p.18-24.

80. This paper has also acknowledged that the cross-Strait relationship is not a two-person game involving just the KMT and CCP. Some scholars argue that we should also consider a third player, the DPP. Consideration of the DPP may add some different angles on relevant studies. However, as this paper begins with the international relations framework, I adopt the state as the level of analysis. In addition, there are still

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 37

there was pressure by business groups to relax the “No haste, go slow” policy towards mainland China. Business groups suffered huge economic losses while the government closely tied its economic interests with its political interests at that time. Even the Democratic Progress Party’s mainland policy in the late 1990s focused on whether the party should support a pro-engagement stance of “boldly moving westward” (toward the mainland) (dadān xijin) or “strengthening our base and moving slowly” (qiāngbēn xijin).<sup>81</sup> Economic issues have been tightly connected with states’ political and security concerns, and this reveals that Taiwan has had an economy connected to national security since the economic takeoff.<sup>82</sup>

An examination of China’s economy and its relationships with Taiwan illustrates how economic interests impact both Beijing and Taipei’s concerns in domestic politics and foreign policy decisions. Though the Chinese government shows no intention of democratizing, and although Taiwan has experienced many years of coherent democracy since 1992, the two political entities in this dyad have maintained a peaceful bilateral relationship for the past 40 years. The capitalist peace theory offers another useful theoretical explanation for this type of stable situation. I outline two different models in the capitalist peace theory: the trade model and the capital openness model. After utilizing these two capitalist models to investigate cross-strait relations, it is easier to accept the third assumption mentioned in this monograph.<sup>83</sup>

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different perspectives about the economic cooperation with mainland China between members of DPP, which came from different factions and divisions of power. These types of divisions have weakened their opposition strength.

81. Yu-Shan Wu, “Taiwan’s Domestic Politics and Cross-Strait Relations,” *The China Journal*, 53 (2005), p.35–60.

82. Not only Taiwan, but also South Korea has a strong states-intervened economy. The South Korean government fully sponsored some symbolic entrepreneurs, such as Hyundai, Samsung, Kia, and LG during the country’s economic takeoff. South Korea adopts import subsidies, tax returns, and other import and export policies to help these indigenous industries to develop. Taiwan can be another state-sponsored economy entity in East Asia. In Huang Yasheng’s book, he mentions that during the Chiang Ching-kuo era, the father of Taiwan’s economic miracle, Li Kuo-ting constantly exhorted his government and leader to develop the information technology industry. Besides being a government official, he also supported the country to develop the technology on plastic (PVC), and eventually helped Mr. Wang Yong-ching to establish the first plastic company called Formosa Plastics.

83. Several key points need to be addressed before discussing the capitalist models. First, whether the China-Taiwan dyad can be viewed as a capitalist dyad depends on how the researcher defines the concept of capitalism. In other words, if a capitalist state

This study does not aim to analyze the directions of causal relations between capitalist economy and peace. Previous literature has already sufficiently debated whether it is peace that causes more trade or vice versa.<sup>84</sup> Evidence has supported that trade (or other liberal factors) leads to peace.<sup>85</sup> Some critics claim that the subsequent accords signed by Taiwan with the mainland in the Economic Cooperation Framework Agreement (ECFA) were a result of the prior advent of peace, not its cause. However, we should not forget that there have already been large amounts of trade and investments underway since the late 1990s across the Strait, which may be viewed as the primogenitor of peace and economic cooperation between Beijing and Taipei. Thus, it is a huge endeavor to discover the causal directions between trade and peace for the cross-Strait relations.

I discovered that two free-market theories of capitalist peace could explain why China and Taiwan can maintain a peaceful bilateral relationship. The trade model (Weede) and the market openness model (Gartzke) clearly group the China-Taiwan dyad as a capitalist dyad, which is more likely to keep a peaceful relationship. The trade model defines capitalism as trade dependency with high levels of interdependence, causing both nations in a dyad to refrain from using military force. Thus, whether the China-Taiwan dyad fits into the trade model depends on whether these two countries have high levels of trade interdependence. In fact, both China and Taiwan are closely connected to each other in trade. In 2010, the total trade between Taiwan and China reached \$112.88 billion USD. The total Taiwanese investment in China came to \$9.03 billion USD (for the first eight months in 2010).<sup>86</sup> Besides, in 2010, the volume of direct exports from Taiwan to China reached \$76.93 billion USD, while direct imports reached \$35.94 billion USD. The high level of economic transactions urged the Taiwanese government to reconsider signing an economic cooperation framework with China. On June 29, 2010, China and Taiwan signed the Economic Cooperation

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is defined by trade or market-openness with less trade barrier, then the China-Taiwan dyad has been moving slowly towards a more capitalist pair.

84. Regarding the directions between trade and peace, see Katherine Barbieri, "Economic Interdependence: A Path to Peace or Source of Interstate Conflict?" *Journal of Peace Research*, Vol. 33 no.1 (February 1996), p. 29-49. Katherine Barbieri and Jack S. Levy "Sleeping with the Enemy: The Impact of War on Trade."

85. Bruce M. Russett and John R. O'Neal, *Triangulating Peace: Democracy, Interdependence, and International Organizations*.

86. See Mainland Affairs Council, "Cross-Strait Economic Statistics Monthly," Jan 27, 2011. <http://www.mac.gov.tw>.

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 39

Framework Agreement (ECFA) in Chongqing, which covers 12 agreements concerning trade, tourism, and other matters crucial to the interests of the Taiwanese people to prevent a deeper isolation and deterioration of the regional economic integration.

It is clear that if “capitalist” dyads are defined as having close trade interdependence, then this is an appropriate case. The trade model also assumes that nations will fight only if the gains of war are much greater than its costs. If China initiates an attack once Taiwan claims *de jure* independence, most agree that the costs of the war for China will be much higher than the potential gain because Taiwan is one of China’s top ten trading partners. Taiwanese businesses have invested an estimated \$150 billion in the mainland since 1988. Thus, there is only a small possibility of conventional war occurring in this dyad.

The second capitalist peace case in this monograph is the application of the market openness model to the cross-Strait studies. Whether the China-Taiwan dyad fits into the capital openness model depends on whether both actors have comparatively open markets to each other. In fact, both parties have attempted to adopt lower trade barriers, and open markets for mutual business and economic activities for the past couple of years. One of the applicable supports is that after signing the ECFA, Beijing and Taipei reduced the regulations on trade barriers. Among the three major areas, the “early harvest” list of tariff concessions covers 539 Taiwanese products, and 267 Chinese products with three stages over a period of two years. Both China and Taiwan could receive huge economic benefits through the market openness strategy. On one hand, 108 Taiwanese goods received zero tariffs immediately, including 18 agricultural products.<sup>87</sup> On the other hand, China would also receive benefits estimated at \$2.86 billion USD while Taiwan agreed to offer wider access in seven areas, including banking and movies. From the evidence above, Beijing and Taipei were pushing deregulatory and tariff concessions when mutual cooperation increased. The possibility of large-scale military conflict has decreased sharply, even after the market opened.

More importantly, the chance of militarized disputes with Taiwan decreased sharply as China transformed its economic structure to a more capitalist system. We can see that no major militarized

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87. Studies conducted by research institutions in Taiwan clearly indicate that, in general, the conclusion of an ECFA is a clear benefit to Taiwan: It will boost exports, encourage overseas Taiwanese businesses to invest in Taiwan, stimulate foreign direct investment, and create job opportunities.

disputes occurred after the 1995-96 Taiwan Strait Missile Crisis. Even during the missile crisis, there was just minor tension between Beijing and Taiwan with no major military casualties. This decrease occurred because the similarity in capitalist ideology helped to promote peace by altering Beijing's strategy toward Taiwan in at least two ways. First, a strategy of national development oriented around economic reform and globalization has moved China's foreign-policy interests in a more cooperative direction. A decreased willingness to threaten economic growth has led Beijing to restrain its provocative policy towards Taiwan. Increasing interests in a capitalist economy helped China adopt a more peaceful international position, and allowed China to look forward to maintaining the status-quo with the Taiwanese government. China does not want to have any possibility of destroying its economic development by solving the Taiwan issue with military activities.

Second, a deeper mutual understanding serves as a stabilizing force on cross-Strait relations. This period of economic reform has promoted a more moderate foreign-policy orientation from Beijing, while creating a series of mechanisms by which it believes it can influence domestic politics in Taiwan. One of the mechanisms increasing Beijing's confidence that Taiwanese leaders will not declare independence is the fact that Taiwanese investors received strong economic incentives to shift smaller businesses of labor-intensive manufacturing to mainland China in the late 1980s. For example, local governments in China actively invited Taiwanese investors with incentives such as reduced taxes, cheap land, and less government control. The free market system has tightly bridged Taiwanese investors with local Chinese governments, and peaceful cross-Strait relations are preferred by Taiwanese businesspersons.

Beijing can target economic incentives at politically important constituencies, such as farmers in Taiwan, to bolster support for politicians that Beijing sees as embracing policies consistent with its interests. Capitalist ideology promotes peace by shifting the view regarding the possible "China threat" maintained by some local politicians and constituencies in Taiwan. By demonstrating an image of a trade partner instead of a political competitor, mainland China decreases the hazard of Taiwan declaring *de jure* independence. In short, declaring independence will only bring a dangerous outcome for the current status quo. The growth of Taiwanese investment in the mainland has created a powerful political lobby that benefits from the status quo.



## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 41

The close economic dependence between China and Taiwan and the hypothesized causal mechanisms focus on several sets of factors, including the beneficiaries of mutual trade dependence, such as Taiwanese local companies (private sector), and the government (public officials). Groups that benefit from capitalist markets, especially local consumers and business firms in Taiwan, should lobby their public officials for open commercial policies, restrained ideological claims, and peace. When a political dispute between Beijing and Taipei threatens to provoke military conflict, the economic interests of these domestic actors should lead them to publicly oppose policies and government maneuvers that heighten the risk of war. For instance, in the midst of the 1995-96 Taiwan Strait Missile Crisis, business groups, such as technology firms or traditional manufacturers from Taiwan, attempted to lobby political officials to avert war, or publicly voiced their support for a peaceful compromise. Congressional officials in Taiwan, who represent such interests, also opposed presidential maneuvers that hindered political compromise with China. In addition, major investors in the local stock market lobbied instead for aggressive foreign and cross-Strait policies that heightened the risk of war. Importantly, politicians who built stable bases of domestic support by embracing free trade were more likely to embrace restrained policy choices. The outcome of this domestic struggle between private sectors and government officials played a critical role in the eventual decision over whether to escalate, or peacefully settle international disputes.

It is true that when comparing the war-proneness of the Middle East to the avoidance of major military disputes in the Far East during the past few decades countries in East Asia focus more on economic openness and cooperation, or what we call the free trade system. While China still remains at a low level of democratic development, economic cooperation and a free-market system provides more hope for the future than democratization. In fact, the more countries trade with each other, the less likely military disputes will occur between them.<sup>88</sup> If the argument of capitalist peace is robust and valid, then this theory may exert some pacifying impact on the region as well as global order. The China-Taiwan dyad may prefer using more peaceful resolutions in the future, if any militarized disputes occurred between these two political entities. However, the qualifications of peace between great powers should

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88. Erich Weede, "The Capitalist Peace and the Rise of China: Establishing Global Harmony by Economic Interdependence," *International Interactions*, Vol. 36 no.2 (April 2012), p. 206-213.

put China's economic situation into consideration. Possibly, it is either cross-border investment, capital market integration, or even a commitment to economic freedom that counts for capitalism, which pacifies effectively.

## **VI. THE RAPIDLY GROWING RESISTANCE AGAINST CHINA'S ECONOMIC COERCION IN TAIWAN AND THE 2014 SUNFLOWER STUDENT MOVEMENT**

It would seem that China and Taiwan have accelerated their economic cooperation after President Ma came into power. One of the achievements made by Ma's administration was the Economic Cooperation Framework Agreement (ECFA). Under the ECFA, President Ma's administration quickly pushed ahead the Cross-Strait Service Trade Agreement (CSSTA) at the Legislative Yuan in March 2014. The major goal of the CSSTA is to address major and fundamental barriers to trade services affecting China and Taiwan, and attempt to decrease unfair competition from state-owned enterprises, lack of transparency, and the business discrimination in license permits. A trade service agreement has the potential to create trading conditions that enable service industries to achieve their full potential. President Ma believes that the CSSTA will be one of the most important economic contributions he makes before completing his second term of presidency, which also provides deeper economic cooperation, common economic interests, and perpetual peace with mainland China.

However, domestic resistance against the CSSTA, which comes from the serious split of society and the declination in the general public's confidence toward the government as a whole, created a recent protest. Protesters extended their occupation of the Legislative Yuan chamber to the failure of occupation of the Executive Yuan in late March 2014. Their major demand was for the Ma administration to revoke the agreement, enact a mechanism in the current legislative session to monitor the Legislative Yuan for any cross-strait agreements, and then review the CSSTA in this mechanism. They also asked to subject it to a line-item-review and line-item-vote. The protest turned into a dispute on procedure issues; however, the real meaning of this protest has represented the split views of society, and the lack of consensus built to set Taiwan's future economic strategy. The leaders of the student protesters even argue that the existing agreements between China and Taiwan would not be equipped with domestic law status, and should not be reviewed and passed by the Legislative Yuan.

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 43

As mentioned above, common security and economic interests could create opportunities to boost deeper cooperation and peace between China and Taiwan. When using this theoretical framework, we use states as the unit of analysis. In the studies of international relations, it becomes intuitive to use states as major actors in international society, therefore I adopted Beijing and Taipei as two single international actors. The individual governments represent their governmental interests, attempting to require the maximum benefits for their civil society. International relations scholars have widely recognized this approach.

It becomes a more sensitive and difficult conundrum to make the theoretical argument perfect if we were to neglect the intensive split voices in Taiwan's domestic politics. One notable piece of evidence supporting this phenomenon can be seen from the public opinion about the issue of the CSSTA signed by China and Taiwan. There are still diversified opinions regarding the signing of the CSSTA, and further economic cooperation with mainland China. As indicated in Table 1, about 40% of Taiwanese respondents are in favor of CSSTA, while 39.6% of the respondents disagreed with it. The divided public opinion demonstrates a clear split on this economic issue, and seems to show a move towards a more polarized trend. This is the reason why those student demonstrators in the Sunflower Movement demanded a "Citizens' Constitutional Conference," but the Ma administration rejected this idea.

Do you agree the signing of CSSTA with mainland China? (%)					
Strongly Agree	Agree	Disagree	Strongly Disagree	No Response	Total
15.1	25.4	17.2	22.4	19.9	100
40.5		39.6			

Table 1: Public Opinion on CSSTA in 2014<sup>89</sup>

Even if Taiwan's civil society and political elites have different ideas about the CSSTA and regional economic integration, cross-strait relations may not be able to sustain a more peaceful development if they are unable to attain some kind of sensible consensus as to how the current dispute can be dealt with constructively. Therefore, building a consensus on the economic and security issues, such

89. Survey data from National Development Council conducted in April 1st, 2014. See <http://www.ndc.gov.tw/m1.aspx?sNo=0060392#.VAR2LmSSyRE>

as the “1992 Consensus,” reflects a realistic consideration of shelving political and legal disputes for Taiwan’s government.

The academia and media in Taiwan realized that it is a critical issue in retrospect to the original proclaim in the “1992 Consensus.” Indeed, even though Beijing and Taipei have reached some “consensus” during the negotiation and discussions of CSSTA in 2014, it does not solve the ultimate question of Taiwan’s future. For instance, all parties concerned in Taiwan should try their best to settle down political stagnation, and look for shared common interests. Political elites in Taiwan need to formulate a way to survive in the wave of regional integration, and face rising China in order to customize appropriate legislations and laws for Taiwan. To do so, political parties must play down the importance of mutual differences in politics, and endeavor to make some concessions in order to reach a workable consensus that is acceptable for political cooperation.

The decision made regarding foreign policy is an extension of domestic politics. Split domestic politics will create numerous obstacles in the decision process of foreign affairs, burdening the negotiation process with pointless tasks and uncertainties. Putnam has already reminded us to focus on the observation that domestic factors influence international affairs or vice versa. We need to seek theories that integrate both spheres, accounting for the areas of entanglement between them. The application of Putnam’s two-level game theory (TLG) to the CSSTA case in 2014 represents an appropriate case study.

The whole process and issues of the CSSTA can be viewed as a typical two-level game. The top negotiators from the Ma administration achieved an agreement with mainland China, and signed this agreement with Beijing on June 21, 2013 in Shanghai. The bargaining between the Kuomintang and Communists representatives, leading to a tentative agreement, can be viewed as Level I. The second level is the ratification procedure in Taiwan since the democratic system in Taiwan required a long and strict discussion on every issue related to China. In general, international negotiations will last for several rounds because there are likely to be prior consultations and further bargaining at Level II (domestic ratification) to hammer out an initial position for the Level I negotiations. The problem for the CSSTA in 2013, and the following protests from students and civil protestors, came from the in-transparent legislative procedure and political split. This is the weakness that the Ma administration failed to solve.

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 45

However, the failure of domestic ratification should not be viewed as a fiasco for President Ma's mainland China policy because any international negotiations will face obstacles and constraints whenever the procedure needs to go through the democratic system. The formal constraint on the ratification process is that since the identical agreement must be ratified by the Taiwanese congress, a preliminary Level I agreement cannot be amended at Level II without reopening the Level I negotiations. In other words, final ratification can be simply passed or turned down, and any modification can be simply viewed as a rejection unless that modification is approved by all other parties to the agreement. In the CSSTA case, even the Ma administration faced strong domestic boycotts from the opposition party in congress; it still has several strategic advantages and bargaining chips when facing the economic inducement from Beijing in the future. The Ma administration could wisely use the advantage offered by the political split and stagnation to secure more national sovereignty and benefits if the political elites would properly apply Putnam's TLG in its entirety. For instance, based on Putnam's ideas, "the relative size of the respective Level II win-sets will affect the distribution of the joint gains from the international bargain." This means that the smaller domestic win-set can be a bargaining advantage while the larger perceived win-set of negotiators may face strong challenges from other Level I negotiators.<sup>90</sup> Based on the arguments above, Taiwan's negotiation representatives and executive leaders could clearly reveal the current political situations in Taiwan to Beijing, and request an improved version of this agreement. The Ma administration, whose domestic position is relatively weak, should be able to drive a better bargain with their international creditors, other things being equal, than China who has a solid domestic standing. The difficulties of winning congressional ratification by a winning coalition can be exploited by Ma's negotiators, and asking Beijing to yield more benefits in the trade and service sectors. If President Ma's administration would like to make some achievements on the signing of CSSTA, they may need to send out some signals to Beijing requiring more benefits and time for a more attractive condition.

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90. Thomas Schelling also noted the same logic thirty years ago: "The power of a negotiator often rests on a manifest inability to make concessions and meet demands. . . . When the U.S. Government negotiated with other governments. . . if the executive branch negotiated with other governments, with its position constrained by law. . . then the executive branch has a firm position that is visible to its negotiator partners."

The democratic system in Taiwan also offers several advantages for President Ma to push for the negotiation. Beijing realizes that there are increasingly confronting challenges against the economic integration associated with the aforementioned two-tiered policy. Facing the increasing concern over economic integration over the CSSTA from Taiwan, China might require more patience in dealing with this type of opposition. Taiwan has a different political regime from China, and this type of democratic system will influence the results of bilateral negotiations, since it is more transparent in the policy-making process in Taiwan. Beijing has certain advantages during the negotiation process because China will become merely one of the major factors impacting Taiwan's economic future, regardless of the CSSTA. China will play an immense role when Taiwan attempts to join any regional economic cooperation, and Taiwan will hardly be able to break away from mainland China. Once Beijing realizes this point, it will help to improve cross-Strait relations if Beijing could extend the whole negotiation process, and release more economic concessions to Taipei. Releasing more benefits in the CSSTA will be no loss for China; however, it may mitigate some oppositional voices in Taiwan. Nevertheless, it is time for Beijing to adopt a "no haste, be patient" policy.

In this regard, weaving the interest peace arguments with the TLG provides a new theoretical framework when we study cross-Strait relations. When we attempt to loosen the knot and reach a more stable consensus between Beijing and Taipei, the most immense undertaking that requires attention is the domestic political split within Taiwan. How to manage the situation, and maintain consensus between Level II political parties becomes the first priority for Taiwan's politicians. Only after a more stable and progressive development occurs between the two parties could Taiwan introduce a consensus to put on hold the unification-independence argument. It would help concerned groups and parties that are willing to find a way to work on pressing economic and trade issues, which are central to Taiwan's prosperity and survival. The process of forming such a consensus may be very difficult, but it deserves immediate joint action.

## VII. CONCLUSION

Applying the interest peace theories to cross-Strait relations yields persuading results. An examination of this case study in China's economy and its relationship with Taiwan illustrates how economic interest affects both Beijing and Taipei's domestic politics

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 47

concerns and foreign policy decisions. I chose this dyad because even though China shows no intention of democratizing, and Taiwan has experienced many years of “coherent” democracy since 1992, the two political entities still have maintained a peaceful bilateral relationship for the past 40 years. From 1960 to 2000, only one militarized interstate dispute occurred between China and Taiwan, and it did not result in any fatalities. Thus, we need to examine a case study of China’s economy illustrating how economic interests might affect both Beijing and Taipei’s domestic political concerns and foreign policy decisions. It is the presence of economic interests, which have some effect in reducing the number of large scale militarized disputes between these two countries.

If we apply these arguments above into a regional study, especially in East Asia, we will find that the Sino-American dyad or even the China-Taiwan dyad, which have demonstrated strong and growing economic ties, need not wait for regime similarity, democratization, or other political agreements to maintain dyadic peace. China’s positive response to the economic development in the world market and its lack of readiness for a regime change based on Western democratic values also shows the feasibility of economic interest similarity. Thus, democratic peace becomes a less achievable goal for China now. If this is the case, then both leaders in Taiwan and the United States should reconsider the importance of economic and security preferences rather than other political ideas to change the domestic and international atmosphere in East Asia.

When we apply the importance of interest to the studies of cross-Strait relations, it cautiously reminds us that there are still some questions to utilizing a single-actor model to represent the complexity of Taiwan’s interest. The ruling party *Kuomintang* has eagerly progressed a more pro-China strategy while the opposition party *Democratic Progressive Party* still plays a successful role containing the government. The political tug-of-war increasingly polarizes the people and society in Taiwan. Therefore, we need to dedicate more energy and time to future projects regarding cross-Strait relations discussing interests from the competing parties, local government officials, or the voices from political elites. Only through careful illustrations with multiple dimensions of Taiwan’s interests can we realize how interest similarity leaves a pacifying effect on the cross-Strait.

The notions of mutual interests also have strong influences on the rising China issue. China’s recent leaders have largely abandoned Marxist economics and vigorously embraced capitalism and

more open markets in an attempt to modernize. In China, the West confronts not an expansionist regime driven by a fundamentally different ideology but a growing power governed by a variant of Asian authoritarianism. Certainly, China has given no indication that it seeks to export its particular form of government by force. Indeed, China seems prepared to learn from the West in the economic realm. In other words, politicians in China are attempting to imitate and learn the system the West prefers. If this is the case, both the United States and Taiwan need to adjust their policy toward Beijing. Discovering the mutual benefits on either economic or security with mainland China becomes the priority. For instance, the United States must pay careful attention to the issue of Taiwan, especially since Taiwan is apt to become an increasingly thorny issue as the regional balance of power shifts toward China. Taiwan cannot afford to incite Beijing with a declaration of independence. Such an act might provoke an attack by the mainland and endanger the support the United States and its allies extend to Taiwan. Deterrence by the West has a role to play in allowing this situation to be settled peacefully, but only in combination with a policy of engagement and respect for China's territorial integrity. This is the place where interest similarity could play a crucial role.

China and Taiwan have consistently become more economic interdependent. To maintain these interests from investors and traders, both sides will have to remain this regional economy, with the constraining links of interdependence that entails, and not become a military threat to each other. In fact, the more commercial benefits given by trade or other economic activities, the harder it will be for China and Taiwan to reverse direction. This makes it unlikely that China will choose confrontation, and Taiwan would provoke China. All in all, this is an area into which the interest similarity and cross-Strait relations should be pushed.



## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 49

**GLOSSARY OF SELECTED NAMES AND TERMS****Selected Names**

CHEN Shui-bian	陳水扁
CHIANG Ching-kuo	蔣經國
CHIANG Kai-shek	蔣中正
DENG Xiaoping	鄧小平
HU Jintao	胡錦濤
JIANG Zemin	江澤民
LIEN Chan	連戰
LI Kuoting	李國鼎
LEE Teng-hui	李登輝
MA Ying-jeou	馬英九
MAO Zedong	毛澤東
Soong James	宋楚瑜
WANG Yong-ching	王永慶
ZHENG Bijian	鄭必堅

**Selected Terms**

1992 Consensus	九二共識
1995-96 Taiwan Strait Crisis	一九九五臺海危機
Association for Relations Across the Taiwan Strait (ARATS)	海峽兩岸關係協會
Capitalist Peace	資本和平論
Chinese Communist Party (CCP)	中國共產黨
Citizens' Constitutional Conference	公民憲政會議
Comprehensive Economic Cooperation Agreement (CECA)	海峽兩岸綜合性經濟合作協議
Cross-Strait Service Trade Agreement (CSSTA)	兩岸服貿協議
Dadan Xijin	大膽西進
Democratic Peace	民主和平論
Democratic Progressive Party (DPP)	民主進步黨
Diplomatic Truce	外交休兵
Economic Cooperation Framework Agreement (ECFA)	海峽兩岸經濟合作架構協議
Executive Yuan	行政院
Fedayeen	阿拉伯聖戰士
Kuomintang (KMT)	中國國民黨
Legislative Yuan	立法院
Line-item-review	逐條審議
Line-item-vote	逐條表決
In-group / out-group	我群/他群
Kantian Peace	康德和平主義
Korean War	韓戰
Market Openness Capitalist	市場開放資本主義
Modus Vivendi	活路外交
Neorealism	新現實主義
Mutual Non-Denial	互不否認
One China Policy	一個中國政策

## SEEKING COMMON GROUND WHILE KEEPING DIFFERENCES 51

People's Liberation Army (PLA)	人民解放軍
Qiangben Xijin	強本西進
Regional Comprehensive Economic Partnership	區域全面經濟夥伴協議
Six Assurances	六項承諾
Social Contract Capitalist	社會契約資本主義
Social Identity Theory	社會認知論
Strait Exchange Foundation (SEF)	海峽交流基金會
Sunflower Movement	太陽花學運
Taiwan Relations Act (TRA)	臺灣關係法
The 817 Communiqué	八一七公報
The 1970 Jordan Civil War	約旦內戰
The Camp David Accords	大衛營協議
The Lebanese Civil War	黎巴嫩內戰
The Newly Industrialized Countries	新興工業化國家
The Second Taiwan Strait Crisis	第二次臺海危機
The Shanghai Communique	上海公報
The Six Days War	六日戰爭
The Yom Kippur War	贖罪日戰爭
Trans-Pacific Partnership (TPP) Agreement	泛太平洋戰略經濟夥伴協定
Three-no's Policy	三不政策
Two Level Game	雙層賽局
Vietnam War	越戰



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