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Managing a Cross-Strait Crisis: The Limitations of Crisis Management Theory

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Nowhere in the world is the danger of a major war more serious in its potential consequences than in the Taiwan Strait. Policymakers both here and in the region are interested in finding ways to avoid a military confrontation between the Republic of China (Taiwan) and the People's Republic of China (PRC). But should one begin, they will need to have available the tools to avoid a full-fledged conflagration. Naturally enough, security specialists have turned to the crisis management literature to devise strategies for addressing this latter problem. Are the literature and the strategies it has generated a good fit for the case of China and Taiwan—and, if not, what should be done to prepare for managing such a crisis?

The Cold War provided both the backdrop and the moral imperative leading to the growth in crisis management studies. Competition between the United States and the Soviet Union convinced many analysts that, in the event of unforeseen confrontation between the two nuclear-armed superpowers, decision-makers had to be prepared to rely on a prescribed regimen of techniques to de-escalate the situation. Lessons learned from the Cuban Missile Crisis in 1962, as well as concerns about the possibility of another incident of nuclear brinkmanship, helped create this new field of study.

Consistent with academic trends of the times, scholars developed models for anticipating and managing state behavior.[1] The models, which generally assessed states as unitary, rational actors, relied heavily on economic game theory in order to anticipate and shape the behavior of states engaged in the early stages of a conflict.[2]

Viewed broadly, the possibility of a nuclear conflict put in sharp relief the costs to the United States or the Soviet Union of allowing a crisis to spiral out of control. Whatever the benefits associated with following a particular policy, they paled in comparison with the disastrous consequences of such a war. Leaders needed tools and techniques to step back from the brink, reverse course, and signal their adversary that they could safely do so as well. Crisis management as a discipline is intended to provide precisely those tools and techniques.

Even in the midst of the Cold War, however, some analysts were wary of overselling the effectiveness of the strategies being developed by the emerging field of crisis management studies. Richard Ned Lebow, for example, asserted that there were no "secret keys" to managing crises; rather, successful crisis management depended largely on freedom of decision for policymakers, along with substantial prior knowledge of and experience with the players and stakes involved in a potential conflict.[3]

Even Alexander L. George, who in some respects was the founding father of the field, acknowledged that prominent Cold War–era models for nuclear crisis de-escalation would require significant tailoring before they could claim to address the complexities of real-world crises. Indeed, George acknowledged that the

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"'logic' of military operations can seriously conflict with the 'logic' of diplomacy" and that crisis management, therefore, "will remain an art—and a difficult art at that—rather than a science."[4]

Nevertheless, George developed a highly abstract, prescriptive strategy, the tenets of which have served as the touchstone of subsequent conflict resolution recommendations.[5]

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The Challenge of Abstract Interests

By accepting an economic model of politics, the traditional crisis management literature overlooks the role of ambition, justice, and legitimacy as possible motivating factors in a conflict. Depending on the intensity of those felt interests, they may be largely immune to economic valuation and resistant to compromise.

The Cold War was an example, according to the crisis management theorems, of a conflict kept simmering—never allowed to boil over—because the competitors' interests, objectives, and capabilities could be, it was thought, rationally defined. Whether this was really true about the two superpowers for the entire Cold War is an open question. True or not, the reality is that history is replete with cases in which a crisis has not been managed successfully precisely because the aggressor's motivations were ambiguous. The Ethiopian-Italian crisis of 1935–36, for example, has been attributed to Benito Mussolini's desire to resurrect Italy's past grandeur and bolster his country's image as a power in Europe. Did failed British and French attempts to manage the crisis simply represent a misapplication of what, in other circumstances, may have been credible and effective policy tools? Or was the nature of Mussolini's motivation impervious to the kind of carrot-and-stick policies the two allied powers were willing to apply?

The case of the Ethiopian-Italian crisis reveals an important set of principles for understanding today's competition between the PRC and Taiwan and illustrates why formulaic approaches to crisis management may prove less than useful in the case of a cross-Strait conflict. Mussolini's invasion of Ethiopia was driven largely by his singular compulsion to acquire colonial territory in Africa. Though there were certainly material interests to be served by the invasion, Mussolini's decision to invade likely represented an effort to bolster perceptions of Italian power and strategic relevance both domestically and abroad. Furthermore, Mussolini's surge into Ethiopia could hardly have resulted from a rational calculation of the costs and benefits associated with the endeavor—by invading, Mussolini ultimately risked punitive military action on the part of the League of Nations for a conquest that was, by most conventional strategic standards, of little value.

Seen from this perspective, the Ethiopian-Italian crisis was simply unmanageable. Although Paris and London did not realize it at the time, there was little or no chance they could have dissuaded Mussolini from pursuing the course he did—regardless of what combination of sanctions and inducements they might have tried. Mussolini *wanted* war. As Arthur N. Gilbert and Paul Lauren have pointed out, the Italian leader had so closely linked his own credibility to the success of the conflict that to take any potential offramp provided by European mediators would have meant losing the respect of his citizens and compromising—in his mind—Italy's international standing. As the two scholars put it, Mussolini "became a prisoner of his own publicly announced dreams of grandeur in the Horn of Africa."[6]

The tension between Taiwan and the PRC also involves issues of legitimacy and ambition. Even though there are myriad economic reasons why a conflict between the two states would be disastrous strictly from an accountant's point of view, China's leaders and the Chinese Communist Party (CCP) have made it clear time and again that the failure to unify the mainland with the island of Taiwan would be a crushing blow to the current regime's legitimacy. Beijing has defined its interests and policy objectives in terms that are indivisible and nonnegotiable. As Huiyun Feng has noted, "the Taiwan issue has turned into one of political legitimacy for the current Chinese leadership," and "therefore, even though there may be changes and reforms in foreign policies in general, there will not be any change in the Taiwan policy."[7]

Not only is unification a necessary element of Chinese nationalism today, but, from the perspective of the Chinese government, the longer Taiwan stays independent of the mainland, the more it threatens to

empower and serve as an example for separatist movements in other regions of China. Conversely, public opinion polls in Taiwan indicate that fewer and fewer Taiwanese consider unification with the mainland a desirable option. They also show that the Taiwanese people are committed to maintaining Taiwan's sovereign status and are unwilling to see any diminution in their own self-rule. Seen from the perspective of Beijing and Taipei—as well as the populations they govern—a crisis in the Strait may not lend itself to the kind of compromises associated with most successful crisis management strategies.

David vs. Goliath: Managing Asymmetric Crises

Since crisis management studies came of age during the Cold War, the scholarship in this field has tended to focus on great power competitors. When it has not, it still focused much of its attention on situations—be they conflicts in the Balkans or the Middle East—in which the relative power of the states was about equal. Accordingly, much of the work, which proposed strategies for diffusing tensions between states with comparable and carefully balanced coercive capabilities, may have more limited applicability to asymmetric conflicts. To state the obvious, significant disparities in size and power tend to lead the greater power to believe that the costs associated with any conflict will be less than the potential benefits. This, of course, may not turn out to be the case, but the power disparity certainly makes it more difficult for the leadership of the larger power to back down in a situation in which it believes it might gain its strategic goal quickly and decisively.

As far as asymmetric pairs are concerned, Taiwan and the PRC are a virtual David and Goliath. In terms of size and capabilities, the PRC's military now exceeds that of Taiwan by a significant margin, and the margin is growing.[8]

Are there any historical analogues to the precarious asymmetric pairing of the PRC and Taiwan when it comes to managing a crisis? In truth, not many cases have been examined. And one that has been—the case of the "Whiskey on the Rocks"—provides lessons that, if anything, further complicate any attempt to apply crisis management strategies to a potential cross-Strait conflict.[9]

In late October 1981, a Soviet nuclear-armed submarine—U-137, a Whiskey class attack submarine—penetrated Swedish waters and ran aground on the country's rocky coastline. Swedish officials called in the Soviet ambassador. The ambassador, who alleged that the grounding had occurred as a result of a navigation equipment malfunction, requested that Sweden allow Soviet forces to enter Sweden's waters and retrieve the submarine. Instead of granting the Soviet ambassador's request, Sweden issued five demands to the Soviets: the Swedes wanted a formal apology from Moscow; they insisted on salvaging and refloating the submarine themselves; they wanted to be reimbursed for the costs of doing so; they wanted to interrogate the submarine's captain; and they insisted on inspecting the ship. In the end, Moscow acceded—with one modification—to all of the demands.[10]

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Although the Swedish government was careful throughout the crisis not to demand immediate Soviet compliance—thus giving the political and military leaders in Moscow time to come to terms with their requirements—the successful resolution of the crisis owed as much to Swedish resolve against Soviet intimidation and coercion as to any other factor.

On two separate occasions—one early in the crisis (October 28) and the other toward the end (November 2)—Moscow sent Soviet maritime forces steaming toward Swedish waters. In both cases, the Swedish government made it perfectly clear that it would use force to repel any effort by the Soviets to retake the submarine. Swedish officials, refusing to be cowed by Soviet attempts at intimidation, instead implemented a series of escalatory maneuvers: denying the possibility of Soviet salvage operations; surrounding U-137 with armed forces; running exercises to practice storming a submarine; sending patrol boats to intercept the Soviet naval task force; giving orders to take military action "in the clear," thus displaying an intention to fight if necessary; mobilizing coastal artillery defenses; and interrogating the ship's captain for over seven hours.

The peaceful resolution of the Whiskey on the Rocks incident, moreover, owed as much to the broader geopolitical context as to the particulars of what happened

on the shores and waters surrounding Sweden. This was not a time in which Moscow was looking for a new fight. The Soviet military was beginning to feel the burn of the war in Afghanistan; Poland was in turmoil; the Reagan administration was making things more uncomfortable for Soviet allies in Central America and Africa; and a renewed arms race was underway. Equally important, the Whiskey on the Rocks incident did not involve a core Soviet interest: the regime's legitimacy was not in jeopardy because of it, nor did it involve a territorial dispute. And finally, as Eric Stern and Bengt Sundelius point out, "Sweden's relatively high profile in the international community, neutral status, and identification with the Western European cultural community made it likely that any Soviet use of violence against Sweden would raise an international outcry."[11] In sum, Moscow had plenty of reasons not to test Sweden's resolve.

Managing a Crisis with China: Consider the Context

The Whiskey on the Rocks case is testament to the importance of context in determining the outcome of international crises. It seems unlikely that a potential cross-Strait conflict would enjoy such forgiving contextual factors—either systemic or domestic. For one thing, China is not a state being challenged around the world. To the contrary, it believes itself to be, and is widely perceived to be, a state very much on the rise. Next, the PRC and the government of Taiwan have had a highly contentious relationship for more than half a century now and cannot help but frame a confrontation. Furthermore, Taiwan's standing in the international community is hardly comparable to Sweden's. It is recognized by few states; its membership in international organizations is limited; and its relationship with its most prominent security partner, the United States, is characterized by uncertainty. Finally, the CCP, having linked its own legitimacy to the unification of Taiwan to mainland China, has made it clear that a cross-Strait crisis would potentially involve a core regime interest.

The crisis management scholarship also tends to represent national actors as having a unitary decision-making process. Although George's work acknowledged a differentiation between political and military actors, it did not take fully into account the bureaucratic layering or factional internal politics that could hinder effective crisis decision-making.

How does China's current leadership structure compare with those described in the literature? Chinese leadership under Mao Zedong—erratic though it may have been—was the clearest case of unitary decision-making in the country's recent history. The current leadership, though centralized, cannot be described in similar terms. Even several years into Hu Jintao's reign as president of China, stories coming out of Beijing still discuss the various competing political factions, party officials, or arms of the military that Hu must deal with.[12]

One reason the prescriptive theories of the crisis management literature put such a heavy emphasis on the presence of a unitary leadership model is that a key element in their stratagems is the ability of adversaries to effectively communicate with each other and signal intentions coherently. And with the advent of global communications technology, leaders may be tempted to take for granted their capacity to connect in an effective and efficient manner with their counterparts in rival states. But just because a message can be delivered does not necessarily mean it will be interpreted properly or acted upon. The potential for miscommunication or missed opportunities only increases when multiple decision-makers within disparate bureaucratic organizations are coordinating policy in the midst of a crisis.

In this context, as one scholar has observed, in the case of the 1995–96 Taiwan Strait crisis, in which China lobbed missiles off the coast of Taiwan in reaction to then-president Lee Teng-hui's trip to the United States, and in the run-up to Taiwan's first true presidential election, "there was a dangerous lack of clear communication between Beijing and Washington."[13] Prior to conducting missile tests and live-fire exercises in the straits, Chinese leaders were certain that they had made their government's limited objectives clear: they sought to intimidate Taiwan but did not plan to invade. But American policymakers reportedly remained unsure about Beijing's ultimate goals and worried in turn that the show of force could escalate rapidly.[14]

Similarly, during the 2001 EP-3 incident—which involved the midair collision of a U.S. electronic surveillance plane and a Chinese jet in international air space, followed by a hostage crisis on Hainan Island—American officials were never clear about whether their statements and positions were being accurately passed on to China's leaders. In turn, American decision-makers suspected that the Chinese government was being less than candid about its goals and intentions throughout the course of the crisis.

At least for the foreseeable future, it is unlikely that the PRC would be any more forthcoming or clear about its objectives in the case of a future cross-Strait dispute with the United States, let alone Taiwan. Historically, communications between Beijing and Taipei have been limited. Suggestions that the two capitals institute emergency communications mechanisms have largely been rebuffed, seen from Beijing's end as backdoor recognition of a government they consider to be illegitimate. And even if a "hotline" were established, it would not solve the more fundamental problem of signal sending. As one scholar has pointedly noted, "the Chinese belief system operates against the acceptance of an enemy's verbal statements as a true indication of his intentions."[15]

China's strategic culture may also present a challenge to traditional crisis management strategies. A primary precept of George's management theory, for instance, advocates slowing "the tempo and momentum of military movements . . . in order to provide enough time for the two sides to exchange diplomatic signals and communications."[16]

And while the CCP has in the past employed a strategy of staggered escalation—allowing for pauses between each escalatory step in a conflict—often as not, the People's Liberation Army has used these pauses to assess its military situation, consolidate gains if possible, and—most importantly—reposition so as to retain an element of surprise before resuming hostilities.[17]

Following initial engagements with American forces on the Korean Peninsula in late October 1950, for example, Chinese forces halted their advances. The purpose of the pause, revealed in a series of messages between Mao and the commander of the Communist forces in the region, was to foster American misperceptions of Chinese weakness and lack of commitment.[18]

Similarly, in the course of the 1962 border dispute with India, China instituted a brief pause after two successful offensives. The Indians interpreted the pause as a signal that the Chinese were too weak to continue mounting a broad offensive and were potentially open to some sort of cease-fire. Within weeks, however, the Chinese military resumed operations.[19]

Indeed, China's adversaries have frequently interpreted such halts in operations as a sign of an imminent drawdown or an attempt at negotiation when just the opposite is true. In short, neither Taipei nor Washington, in a cross-Strait crisis, can be quite sure that a pause by Beijing reflects a desire to look for a way out of the conflict. To say that China's strategy of staggered escalation and surprise might complicate current prescriptions for managing a crisis is, if nothing else, an understatement.

Finally, as Abram Shulsky points out, in the past, "the Chinese have often shown a willingness to resort to force precisely because they see the resulting tension as being in their interest."[20] It is precisely because others desire to avoid a possible conflict that China's leaders see it as giving China an advantage. Indeed, given the CCP's past willingness to accept, manipulate, and capitalize on the threat of violence, it could be argued that the PRC perceives crises as opportunities to achieve policy objectives, rather than something to be avoided. According to Shulsky, "the key element here seems to be China's confidence that it can control the level of tension and the risk of escalation, rather than avoid them altogether."[21]

> At some point, if history is any guide, there will be a situation—intentional or not—that sparks a confrontation. Preparing for that probability is just as important as policies designed to avoid it.

Granted, these observations also stem from an analysis of military operations that predate 1978, when China began a set of reforms that signaled a turn from its Maoist past. What we do not know is whether these changes—which have focused primarily on domestic matters—reflect a fundamental change in Chinese strategic culture as well. To what extent do today's top military and party officials adhere to the lessons of China's military past? Is the notion that a crisis is something to be exploited rather than avoided still relevant to China's leaders? Is the ardent nationalism they exhibit over the issue of Taiwan real? These are just some of the questions that need to be answered before one can safely recommend reliance on the prescriptions offered by crisis management studies.

Conclusion

The transition from theory to practice is inherently rocky. And, to be fair, when discussing their work in the area of crisis management, George and other scholars in the field hedge about the importance of particular theoretical tenets. They argue that the precepts associated

with any model should not be interpreted as those that are *necessary* for a favorable crisis outcome but rather as those that are *most likely* to enable successful conflict resolution. As George points out, "the political and operational requirements for crisis management . . . are certainly not easy to meet in tense, often unexpected and rapidly developing confrontations."[22]

Those caveats aside, one still has to ask whether the medicine being generally prescribed in the case of a cross-Strait crisis will really make things better. Or does it act as a kind of placebo for policymakers—seemingly a good thing in theory but fundamentally distracting when it comes to managing a crisis with a nation like China that has great power ambitions, legitimacy problems at home, a preponderance of military force, and is a black hole when it comes to receiving messages and making decisions?

If crisis management strategies and tools are an uncertain fix for a conflict involving Taiwan and China, what should be done? There is no easy answer to this question. At one level, of course, the best prescription is to avoid the behaviors that might increase the chances of the two states falling into a crisis at all. But, given trend lines in both China and Taiwan, this seems unlikely. At some point, if history is any guide, there will be a situation—intentional or not—that sparks a confrontation. Preparing for that probability is just as important as policies designed to avoid it.

What concrete steps can be taken, then, to address the problem of managing a cross-Strait crisis? The answer, as Lebow identified late in the Cold War, is simple: practice makes perfect.[23] "Crisis simulation" exercises should be a cornerstone of preventive security policies in states like Taiwan that exist in high-intensity threat environments. As Lebow notes, "good decision making in crisis . . . demands that leaders have a working knowledge of the details of military planning and operations."[24] And such knowledge comes not from briefing books or preset prescriptive models but from "extensive pre-crisis efforts that leaders initiate to educate themselves and to build an environment conducive to vigilant information processing and responsive policy implementation."[25] Simulation exercises involving all levels of a country's political and military leadership provide a forum for testing policy tools and identifying the strengths and weaknesses of a government's decision-making structures and processes. In addition, simulations also allow a government to test a whole range of crisis management tools to see which of these tools might in fact be useful in a given set of circumstances.

Nothing can duplicate the real world. But senior officials can be put to the test with real-world scenarios. And the lessons they learn are likely to be far more valuable than the abstract lessons derived from a compilation of studies of other crises that are distant in time, place, and strategic relevance.

Notes

1. For example, see Lars Porsholt, "On Methods of Conflict Prevention," *Journal of Peace Research* 3, no. 2 (1966). In 1977, *International Studies Quarterly* dedicated an entire special issue to the theory and practice of crisis management, "International Crisis: Progress and Prospects for Applied Forecasting and Management," vol. 21, no. 1 (March 1977).

2. Thomas Schelling, an economist by trade, was responsible for some of the most influential academic work on deterrence theory, including *Arms and Influence* (New Haven, Yale University Press, 1966) and *The Strategy of Conflict* (Cambridge, MA: Harvard University Press, 1968).

3. Richard Ned Lebow, "Is Crisis Management Always Possible?" *Political Science Quarterly* 102, no. 2 (1987): 184.

4. Alexander L. George, "Crisis Management: The Interaction of Political and Military Considerations," *Survival* 26 (1984): 224. "But if policy is to be made of a theory, those elements of the real-life phenomenon which were left out in the formulation of the theory must be identified, and their implications for the theory's contents and its use must be noted." Alexander L. George and Richard Smoke, *Deterrence in American Foreign Policy: Theory and Practice* (New York: Columbia University Press, 1974), 589.

5. George distilled his strategy into seven prescriptive "crisis management requirements." According to George, "'requirement' in this context is used to refer to conditions that 'favor' the success of the strategy and not in the stricter sense of being 'necessary conditions' for its success." They are as follows: "(1) Each side's political authorities must maintain control over military options—any alerts, deployments, and low-level actions as well as the selection and timing of military moves. (2) The tempo and momentum of military movements may have to be deliberately slowed down and pauses created to provide enough time for the two sides to exchange diplomatic signals and communications, and to give each side adequate time to assess the situation, make decisions, respond to proposals, etc. (3) Movements of military forces must be carefully coordinated with diplomatic actions as part of an integrated strategy for terminating the crisis acceptably without war. (4) Movements of military forces and threats of force intended to signal resolve must be consistent with one's limited diplomatic objectives—i.e., 'noise'

must be avoided or minimized. (5) Military moves and threats should be avoided that give the opponent the impression that one is about to resort to large-scale warfare, thereby forcing him to consider preemption. (6) Diplomatic-military options should be chosen that signal, or are consistent with, a desire to negotiate a way out of the crisis rather than to seek a military solution. (7) Diplomatic proposals and military moves should be selected that leave the opponent a way out of the crisis that is compatible with his fundamental interests." (Alexander L. George, "Crisis Management: The Interaction of Political and Military Considerations," 226.)

6. Arthur N. Gilbert and Paul Lauren, "Crisis Management: An Assessment and a Critique," *The Journal of Conflict Resolution* 24, no. 4 (1980).

7. Huiyun Feng, *Chinese Strategic Culture and Foreign Policy Decision-Making* (New York: Routledge, 2007), 104.

8. For an overall comparison of the two countries' armed forces, see the International Institute for Strategic Studies' *The Military Balance 2007* (London: Routledge, 2007), 347. See also Gary J. Schmitt, "The Power China Is Building," *Washington Post*, June 14, 2004, available at www.aei.org/publication26351.

9. See Eric Stern and Bengt Sundelius, "Managing Asymmetrical Crises: Sweden, the USSR and U-137," *International Studies Quarterly* 36, no. 2 (1992): 213.

10. Although the Swedes were allowed to inspect the submarine, the Soviets refused to allow them to inspect the ship's weapons compartment. Technical readings taken by the Swedes showed the presence of nuclear materials on board, strongly suggesting the submarine was carrying nuclear weapons. Having largely confirmed that fact and realizing the sensitivity of the issue both in Sweden and in Moscow, the Swedish government decided not to push the Soviets to comply fully with their inspection demand.

11. Eric Stern and Bengt Sundelius, "Managing Asymmetrical Crises: Sweden, the USSR and U-137," 228.

12. For an account of recent intraparty factionalism and disunity, see Willy Lam, "Reorienting the 17th Party Congress: Boosting Unity and Thwarting Taiwan," *China Brief* 7, no. 18 (October 3, 2007).

13. Andrew Scobell, "Show of Force: Chinese Soldiers, Statesmen, and the 1995–1996 Taiwan Strait Crisis," *Political Science Quarterly* 115, no. 2 (2000): 245.

14. Ibid., 246.

15. Steve Chan, "Chinese Conflict Calculus and Behavior: Assessment from a Perspective of Conflict Management," *World Politics* 30, no. 3 (1978): 395.

16. Alexander L. George, "Crisis Management: The Interaction of Political and Military Considerations," 226.

17. Steve Chan, "Chinese Conflict Calculus and Behavior: Assessment from a Perspective of Conflict Management," 400.

18. Mark Burles and Abram N. Shulsky, *Patterns in China's Use of Force: Evidence from History and Doctrinal Writings* (Santa Monica, CA: RAND, 2000), 6.

19. Ibid, 8.

20. Abram N. Shulsky, *Deterrence Theory and Chinese Behavior* (Santa Monica, CA: RAND, 2000), xii.

21. Ibid., xiii.

22. Alexander L. George, "Crisis Management: The Interaction of Political and Military Considerations," 233.

23. Richard Ned Lebow, "Is Crisis Management Always Possible?" 184.

24. Ibid.

25. Ibid.