

**PS 160 Intro to World Politics**  
**Domestic Turmoil and East Asian Security**

The biggest potential flashpoint in East Asian security is the ongoing dispute between the Republic of China on Taiwan (T) and the People's Republic of China (Mainland China, M), over their reintegration into a single country under Beijing's control. Taiwanese preferences have historically been to preserve much autonomy (low integration), while at the same time preserving a high level of peace and security in the region. The status quo is only slightly different from Taiwan's preferred outcome; security is a bit lower and the countries are a bit too integrated for the Taiwanese government's taste. Mainland China's position is much harder to determine. In the absence of a free press, little information on the Chinese Communist Party's internal politics escapes. Taiwanese leaders believe that one of three possible groups of CCP leaders actually dominates policy-making. The first,  $M_1$ , is concerned about the Party's internal status in the face of a shaky domestic economy, and believes that diverting attention to the Taiwan issue could help preserve order at home. This group prefers a high level of integration, even at the cost of very low security in the region, and is willing to make substantial threats towards Taiwan though may or may not be willing to actually *use* military force.

$M_2$ , on the other hand, is the result of a power struggle within the CCP: A faction closely tied to the People's Liberation Army and a faction interested in gaining capitalist-style investment for the ailing economy have allied to control the government. This group is willing to invade if necessary to achieve complete reintegration of the societies (and more importantly, their economies). Finally, the politicians of  $M_3$  are entirely concerned with the state of the domestic economy, and believe that the Party's hegemony may be threatened if it does not make efforts *soon* to reduce unemployment and increase capital stock. To this group, international military adventures would destabilize the society and the economy, and should be avoided at all costs; hopefully, they believe, Taiwan will react positively and relax some of its restrictions on doing business with the Mainland.

1. Construct a spatial model showing Taiwan, the status quo, and the three possible types of Mainland China.

2. Is an agreement to change the status quo possible? [Think: What actors constitute a winning coalition here?] With which type(s) of Mainland China could Taiwan make an agreement, and which way would the status quo move?

3. Assume that the Mainland economy goes into a recession, and Party control is threatened. After a major internal leadership struggle and some violence, the faction allied with the PLA ( $M_2$ ) takes charge. Taiwanese leaders fear that the status quo is unacceptable to this new leadership – that it produces less benefit for them (is too far from their ideal point) than other potential options, which the new Mainland leadership might try to take by force.

If the Mainland leadership's minimum acceptable utility is closer to their ideal point than the status quo currently is, is agreement possible? Draw a new indifference curve for  $M_2$  on your model (please use another color) to reflect the new government's minimal acceptable utility (its reservation point). In most of our other spatial models, what was the outcome if no win set existed? What is the likely outcome here? What face of power would Mainland China be attempting to use to achieve its objectives?

4. Taiwan is approaching presidential elections, and the current president's party is unable to field a credible candidate. The first contender, from party A, has categorically refused all integration, even in the face of severe pressure from the Mainland; he has vowed to defend the country but will not strike preemptively. Party B's contender, on the other hand, promotes relaxing restrictions on economic interaction with the Mainland in an effort to preserve regional peace and security.

Add A and B's ideal points to your model (use another sheet of paper if needed). Assuming that the status quo represents the minimum acceptable utility for either candidate, is a peaceful settlement possible now between either contender and the Mainland? If so, with whom, and in what direction will the status quo shift?

5. **HONORS:** On another sheet of paper (or on the reverse), construct an extensive form game with uncertainty reflecting the initial scenario at the top of page 1. Solve your game and interpret the resulting value of  $p$ .