

Conclusion

In the Introduction I listed main research question I would strive to answer in the thesis. They are as follows:

- What is the essence of classical approach towards analysis of states' alignment behavior? What are the critical points and developments?
- Can Taiwan's mainland policy be explained adequately by Stephen Walt's theory of balancing-bandwagoning? Does Taiwan purely balance or purely bandwagon China?
- What theoretical approach is the most suitable for the case of Taiwan's mainland policy?
- What is the essence of Taiwan's hedging strategy towards rising China? How Taiwan combines balancing and bandwagoning in its mainland policy?
- What reasons can explain changes and continuities in the Taiwan's mainland policy?
- What are the prospects of Taiwan's hedging strategy?

The question “*What is the essence of classical approach towards analysis of states' alignment behavior? What are the critical points and developments?*” was answered in the first chapter where I briefly reviewed the balancing and bandwagoning concept. First, the basic idea laid down by Kenneth Waltz in his *Theory of International Politics* was introduced. This basic concept which was an organic part of balance-of-power theory was substantively reformulated by Stephen Walt. Walt's main idea is that the most significant determinant of the alliance behavior for states is not solely the power but threat. In Walt's opinion, balancing is far more widely spread than bandwagoning which is a lot of weak states short of allies. Second, it was shown that despite high-acclaim Walt's ideas had been severely criticized from different viewpoints. Such scholars

as Kaufmann, Larson, Levy, Barnett, and David criticized Walt for the neglect of domestic factors in the process of alliance formation. Randall Schweller in his turn dismissed the main argument of Walt – namely that states’ alliance choices are predetermined by threats. In Schweller’s opinion states choose their allies in search of gains. Assuming that balancing is costly, Schweller comes to idea that bandwagoning is norm in international relation rather than deviation. Similarly, David Kang observing the post-Cold War era situation in East Asia finds that despite prediction of Walt’s theory states in the region don’t tend to be balancing against rising China. They are not bandwagoning either, rather they adopt strategies which lie somewhere between two extremes of balancing and bandwagoning. Third, it was demonstrated that there are numerous attempts to develop alternatives to balancing-bandwagoning dichotomy. One of the most important is the concept of hedging which has found wide application in describing alignment strategies in the South East Asia. There were also some interesting attempts to develop concepts based on the empirical evidences from the East Asian international relations. This overview demonstrated that a number of alternatives exist and that Walt’s balancing-bandwagoning concept is no more taken for granted. Though they emphasize different flaws in the Walt’s theory of balance-of-threat, they all agree that this theory is too rigid, particularistic, and inflexible.

In order to answer the second question “*Can Taiwan’s mainland policy be explained adequately by Stephen Walt’s theory of balancing-bandwagoning? Does Taiwan purely balance of purely bandwagon China?*” Walt’s balancing and bandwagoning hypotheses were tested on the empirical evidences of Taiwan mainland policy since 1949 to the present. The test of Walt’s balancing and bandwagoning hypotheses has clarified some positions and has demonstrated some specific features of Taiwan’s mainland policy. Despite huge changes which have been taking place in Taiwan’s mainland policy, there is obviously some continuity as well. This continuity reflects the existing geopolitical situation in the region and wide consensus among all main political forces in Taiwan on issues of foreign policy and mainland policy. The test of balancing and bandwagoning hypotheses of Walt has proved that despite severe criticism they are still retaining some theoretical value. Walt’s prediction that external threat would generate balancing

response proved to be correct under some circumstances. Taiwan obviously balances China. All presidents – Lee, Chen, and Ma applied balancing strategy while dealing with China, though the scope and intensity of the balancing have gradually changed. All factors of threat defined by Walt – overall power, geographic proximity, offensive capabilities, and offensive intention - are relevant for shaping Taiwan’s mainland policy. Bandwagoning hypothesis was not that convincing: of three conditions for bandwagoning only one - that China is an appeasable bandwagon - proved to be relevant.

The analysis has also once again reiterated weaknesses and limitations of Walt’s hypotheses. First, of all Walt hypothesis lacks theoretical tools for grading balancing behavior by intensity and scope: the utility of the concept is low if it similarly defines such different phenomena as Chen’s and Ma’s mainland policies. Second, the analysis has shown that the strict dichotomy of Walt’s theory is not relevant: elements of both balancing and bandwagoning coexist in Taiwan’s mainland policy. Third, Walt’s bandwagoning hypothesis is not convincing: Taiwan doesn’t try to appease China because it feels threatened as would Walt suggest; in my opinion, reasons might be different – expectation of gains, attempts to strengthen legitimacy etc. Therefore, the answer is “No, Walt’s hypothesis cannot adequately explain the Taiwan’s mainland policy.” Taiwan neither pure balances China (though it was doing this during the Cold War era), neither purely bandwagons with China but rather combines two these approaches in its dealings with China.

In the third chapter to the rest of the research question are answered. Hedging is offered as probably the most suitable theoretical concept for explaining Taiwan’s mainland policy. The concept of hedging is getting more and more widely accepted as an alternative to the Walt’s balancing-bandwagoning hypothesis. Unlike balancing-bandwagoning hypothesis, hedging assumes that states may pursue multiple policies simultaneously in order to offset risks and to avoid choosing one side at the obvious expense of the other. Hedging is therefore a multiple-component strategy between two ends of balancing-bandwagoning spectrum. One of its components can be called “risk-contingency” (or security-maximizing) option. Another one can be called “profit-seeking” or “gain maximization” since it allows to reap economic, political and

diplomatic profits from the great power. The answer to the question “*What is the essence of Taiwan’s hedging strategy towards rising China?*” demonstrated how main directions of President Ma’s mainland policy pursue multiple goals. Ma’s policies toward China combines elements of both balancing (security-maximization) and bandwagoning (profit-seeking) behavior, however the elements of bandwagoning are predominating: Ma’s policy balances China militarily and tries to bandwagon it in economics, diplomacy, and in political dialogue. As a policy that is pursued in order to reduce the risk of other policies, hedging contains both cooperative and competitive elements. The logic of the Taiwan’s hedging strategy is understandable, as it allows maintaining the extensive and mutually beneficial economic ties with the mainland and with the rest of Asia while addressing uncertainty and growing security concerns about the consequences of a rising China.

The answer to the next research question: “*What reasons can explain changes and continuities in the Taiwan’s mainland policy?*” was received after the application of the concept of hedging to the current mainland policy of Taiwan. It was demonstrated that the continuation of balancing elements in the Taiwan’s mainland policy is predetermined by a uncertainty in China’s long-term intentions, by its military build-up, and by its refuse to renounce right to use force against Taiwan. The increased presence of the bandwagoning elements which distinguishes Ma’s approach can be explained by few reasons: 1) failure of balancing-oriented policy to achieve goals of increasing Taiwan’s security; 2) increased inequality in power distribution in the Strait resulting in greater vulnerability of Taiwan; 3) decreased American security commitment; 4) profit-seeking in view of appeasable China; 5) necessity to maintain regime legitimization by promoting economic growth; 6) weakened China’s offensive intentions.

Answering the question regarding the prospects of Taiwan’s hedging strategy the thesis suggests that hedging is likely to remain as a predominant and the most rational approach towards China. The shift to pure balancing would be disastrous for Taiwan’s economy and international stance. The shift to pure bandwagoning is also unlikely since there is strong domestic and international commitment not to allow unification in any form. Nevertheless, the exact forms Taiwan’s

hedging will take in the future will depend on the interplay of Taiwan, China, and the U.S. and on numerous other factors.

The main findings of the thesis are as follows:

1. Balancing-bandwagoning hypothesis cannot be unreservedly used as a theoretical approach to research on Taiwan's mainland policy. Despite Walt's predictions Taiwan obviously incorporates elements of both balancing and bandwagoning in its strategy of dealing with China. Moreover, Walt's emphasis on the threat as a single most important factor determining states' alignment behavior proved to be not absolutely correct: profit-seeking and legitimacy concerns play significant role.
2. Hedging seems to be an acceptable framework for explaining and researching small states' responses to preponderant powers under conditions of uncertainty. As a concept which is much more flexible than Walt's theory, hedging is more suitable for explaining Taiwan two-pronged policy toward China.
3. Ma Ying-jeous's mainland policy is neither pure balancing, nor pure bandwagoning. It is essentially hedging but its peculiarity is that it has moved Taiwan's strategic choice closer to the bandwagoning end of spectrum, preserving at the same time options for balancing against China.
4. Ma's mainland policy bears some continuity (e.g. balancing China threat and securing relations with the U.S.) and significant changes. I suggest that changes are a response to complicated set of factors including shift in power balance in the Strait caused by rapid rise of China, decreased American security commitment, economic interdependence, and others.
5. Hedging is likely to remain as Taiwan's strategy towards rising China in the foreseeable future because both reasons to bandwagon (China's economic opportunity) and to balance (China's threat) will remain long-term factor in Taiwan's strategy. In this situation the American presence in the region and

particularly, American security commitment to Taiwan, will have crucial importance.

In the Introduction the following research hypothesis was formulated:

Balancing-bandwagoning as defined by Waltz and Walt can not explain significant variations in the small states' (Taiwan) responses to preponderant power (China) since small states (Taiwan) usually combine elements of both balancing and bandwagoning in their responses toward preponderant powers (China) because they are driven by opposite motives – to minimize threat and to maximize gain.

The main findings of the thesis prove this hypothesis. It has been already mentioned that Walt's hypothesis is too inflexible and particularistic to serve as a reliable theoretical framework for international relations research in the post-Cold War era. On the example of Taiwan, the assumption that states adopt much wider choice of strategies than Walt predicted has also been proved. The use of hedging concept proved to be successful and fruitful to understand and explain Ma's mainland policy. Therefore, the thesis accomplished the research purposes stated in the Introduction.

The thesis has done a valuable contribution to the field of Taiwan studies. Though there is the abundance of researches on various aspects of Taiwan-China relations, the research nevertheless can shed new light on some important issues and thus improve the overall situation in this field of study. Particularly, the research contains a comprehensive critique of Stephen Walt's balancing-bandwagoning theory. Also the thesis is perhaps the first detailed application of the hedging concept for the research on the cross-Strait relations. As such, the thesis' main idea, theoretical framework, observations, and conclusions may be interesting for scholars and students researching on the cross-Strait relations and Taiwan's mainland policy.

The thesis can also be a step in improving situation in the field of Asian studies in my home country, Ukraine. As it has already been mentioned, this field of research is unfortunately neglected by scholars and therefore the thesis might slightly change this situation to the better.

The work on the thesis has significantly improved my knowledge about and deepened my understanding of Taiwan-China relations both in their current phase and in the historical retrospective. Since big part of the work concerns theoretical issues, my comprehension of international relation theories has also enhanced. Overall, my research skills have significantly progressed.

Surely, this paper is not without flaws or mistakes and definitely there is a room for improvement. Since the issues raised in this thesis are of extreme importance for Taiwan, there is necessity for future researches in order to deepen the argument and clarify some points. This thesis may become a foundation for bigger research in the future.