

THE “ONE CHINA” DILEMMA

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Edited by

Peter C. Y. Chow

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For Alice, Isabella, and Philbert

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FOREWORD

Taiwan and China: Testimony to the Complexity of Our Times

At the close of World War II, Taiwan was “liberated” from some 50 years of colonial rule. Or was it? Nationalist forces from China took over governance, and having suffered defeat in 1949, Chiang Kai-shek and the remnant nationalist army came to the island. By this time, tensions between the Taiwanese and the mainlanders had been heightened as a result of the 2–28 Incident when a large number of Taiwanese protesters were killed by nationalist troops on February 28, 1947.

In the ensuing years, Taiwan’s politics were characterized by one party, one man, and one goal. The Kuomintang (KMT) was the sole party permitted to function and its leader, Chiang Kai-shek, was unchallengeable. His goal, moreover, was to return as leader of China. Hence, there was no argument about “One China,” but only about who should govern the nation. These conditions continued under Chiang’s son, Chiang Ching-kuo, but toward the end of his leadership, in 1987–1988, a modest political opening had begun, with parties additional to the KMT emerging and permitted to operate within limits.

By this time, Taiwan’s economy was characterized by advancing private entrepreneurship and market orientation. Trade and foreign investment had begun to expand, auguring a rapidly growing economy and rising living standards in the years ahead. Consequently, Taiwan exemplified the successful developing state, with authoritarian leaders pursuing basically pragmatic economic policies leading to accelerated economic growth. As in the case of South Korea, such a development had political repercussions at a certain point, with a middle class emerging that demanded greater rights and participation, leading to a more open politics.

Hence, martial law was suspended in July 1987 and several new parties were formed, not yet fully legal but permitted to operate cautiously. The most significant of these was the Democratic Progressive Party (DPP) that ultimately became a major political force. After his death in 1988, Chiang Ching-kuo was succeeded by Lee Teng-hui, previously vice president and a Taiwanese. In the new KMT Central Committee selected in mid-1988, the average age of members dropped from 70 to 59, and the number of Taiwanese rose from 20% to 45%, with 11 of the 25 members of the new cabinet also being Taiwanese. The Taiwanization process had commenced.

During the 1990s, greater political competition ensued with the DPP share of the vote rising. Toward the close of that decade, the DPP won a major victory in

local elections. Finally, in the presidential race of March 2000, Chen Shui-bian, the DPP candidate, was victor in a bitterly contested three-way race against James Soong, independent, and Lien Chan, KMT. In the course of the next few years, two political coalitions emerged, the Pan-Blue group composed of the KMT, the People First Party (Soong), and the New Party, and the Pan-Green group composed of the DPP and the Taiwan Solidarity Union (TSU) led by Lee Teng-hui, with the Pan-Blue group holding 114 seats in the legislature to 110 seats held by the Pan-Green group; Taiwan's politics were deeply divided.

Consequently, Taiwan has come to represent the strengths and challenges of a democratic system. On the one hand, the primary criteria of a democratic society have been met: full political freedom for the citizenry; open, competitive elections that enable a choice of leadership; and the rule of law. At the same time, the system has resulted in protracted political instability, with constant bitter quarrels within a government often divided, and consequently, inaction on certain critical fronts.

Serious corruption became a problem in the early years of 2000. The son-in-law and wife of President Chen were charged with corruption, and Chen himself was accused of misconduct although he could not be tried while in office. Repeated attempts were made in the legislature to initiate Chen's recall, unsuccessfully. While the president's popular support declined even within the DPP, important defections took place and the party vote in various elections held up reasonably well. Moreover, Ma Ying-jeou, the former mayor of Taipei and popular leader of the KMT, was also charged with misuse of funds while in office and resigned as head of the KMT, although the charges were subsequently dropped. Consequently, the prospects for the presidential election of 2008 were cloudy some months in advance with Frank Hsieh the DPP candidate and Ma the KMT choice. At year's end, most polls showed Ma in the lead, but various events might change the picture.

Meanwhile, Chen seemed determined to leave as his legacy a strengthened independent Taiwan. Thus, his efforts were focused on undertaking further constitutional changes and adding the title "Taiwan" to various official bodies. Such statements as proclaiming his support for making Taiwan "a normal and complete country," and asserting that Taiwan was "independent and sovereign" not under People's Republic of China (PRC) jurisdiction were clear declarations of purpose that enraged Beijing. In his 2007 New Year message, Chen was even more specific, asserting that "the sovereignty of Taiwan belongs to its 23 million people, not to the PRC; only the people of Taiwan have the right to decide Taiwan's future." He also noted that in 2006, he had declared that the National Unification Council "had ceased to function and the Guidelines for National Unification had ceased to apply," thereby closing an earlier channel for cross-Strait dialogue.

A combination of factors have placed certain restraints on Chen's actions foremost among them, Taiwan's deeply divided government and the US government's disapproval of moves toward independence that threaten to produce a major cross-Strait crisis. As will be noted shortly, Washington has not been hesitant on occasion to signal its unhappiness with Chen's actions. In recent polls, the Taiwanese people, by an overwhelming majority of 80%, favor maintaining the

status quo supporting neither a formal move to independence nor reunification now. Nonetheless, it is certain that Chen will continue his campaign for Taiwan's independence, hoping to use nationalism to win support for the DPP.

Despite Taiwan's recurrent political uncertainties, the Taiwan economy has generally retained sturdy growth rates, a few brief periods of remission excepted. At the close of the Chiang Ching-kuo era, Gross Domestic Product (GDP) had grown between 7% and 11% per annum, per capita income had reached nearly US\$5,000, and foreign trade in 1988 totaled over US\$100 billion. In the early and mid-1990s, growth slowed slightly but remained over 5%, with per capita income reaching over US\$10,000, and trade topping US\$160 billion. Even in the late 1990s, at a time when the Asian economic crisis caused a severe recession in many East Asian economies, Taiwan's economy remained healthy. Only in the first years after 2000 did the economy reflect the continuous turmoil that marked the opening period of Chen's time in office. However, recovery came soon, abetted by the rapidly rising economic intercourse across the Strait. By 2006, cross-Strait trade had reached US\$107.8 billion and the Taiwanese crossing the Strait exceeded 4.6 million, with at least 800,000 Taiwanese having residences on the mainland. Despite earlier concerns, Taiwan's economy had become ever more dependent upon interaction with the PRC.

Notwithstanding the rapidly expanding economic ties, however, political-strategic relations between the two governments have remained strained, with anger and threats periodically expressed. A few years ago, Beijing wisely shifted from a policy of uniform threat and intimidation to a policy of seeking to reach out to the opposition party leaders and more generally, to the Taiwanese people. The KMT and People First Party (PFP) leaders were invited to visit the PRC and were received cordially at the highest levels. Although the pronouncements issued did not contain any specific agreements on the key issues, they were positive in nature. Moreover, certain gestures such as the proffered gift of two baby pandas were clearly intended to show the public a different PRC from that depicted by its critics.

At the same time, Beijing's leaders have made no secret of their profound distrust of Chen Shui-bian and his party. As indicated earlier, he was regarded as irrecoverably committed to Taiwan independence and prepared to take whatever steps were possible to move in that direction. Although semiofficial discussions were temporarily resumed at one point these soon ended with no results. The position of the PRC that there was one China, and Taiwan was a part of that China, has never been altered. At times, Beijing has signaled that under the "one country, two systems" principle, it would be prepared to give Taiwan greater autonomy than that accorded Hong Kong, but that satisfies few Taiwanese, even among the KMT leaders, although some of them are prepared to show greater flexibility in order to reduce the strategic risks.

The progressive strengthening of PRC military weaponry and the disposition of an increased number of missiles on the Strait have worried many in Taiwan; this recently caused the Taiwan government to seek to purchase some US\$400 million worth of missiles and parts from the United States to bolster its air defenses. As might be expected, this effort produced strong protests from

Beijing. However, US military sales to Taiwan in recent years have reportedly totalled about US\$1 billion annually, and account for some 90% of the island's imports of foreign weapons.

Thus, relations between Taiwan and the PRC seem destined to remain troubled with periodic crises. As might be expected, Beijing's leaders hope that the KMT will win the 2008 presidential elections since they believe that such individuals as Ma Ying-jeou would be less committed to independence than DPP leaders. Beijing was prepared to reenter a dialogue after certain compromises, such as a return to the so-called 1992 consensus, when there was supposedly an agreement on the principle of "One China" without definition. It is doubtful that any KMT leader would be prepared to accept Beijing's conditions for reunification—now or for the foreseeable future. Could an agreement be reached upon federation or confederation, with the issue of sovereignty set aside? Only the future can determine what progress if any with respect to Taiwan-PRC relations can be achieved. Meanwhile, Taiwan will remain a *de facto* independent political entity, albeit, one recognized by only a few small nations and precluded from membership in virtually all international organizations.

The current and future situation bears directly upon Sino-American relations, constituting one of complications in that complex relationship. US policy toward Taiwan has not changed since it was first articulated in the 1970s; it can be defined as one of conscious ambiguity. One China is accepted, without definition, with opposition expressed to either the use of force or any declaration of independence. Yet military support for Taiwan's defense is pledged, and indeed, in the recent past, the United States has been unhappy with the Taiwan legislature's reluctance on occasion to purchase the military supplies necessary for further modernization. At the same time, the administration in Washington has regarded Chen as unreliable with respect to maintaining the status quo, and in this respect, shown a certain affinity for PRC views. At the same time, the United States and China remain far apart with respect to any resolution of the Taiwan issue. Recently, China voiced its strong displeasure with a contingency plan discussed by the United States and Japan to meet any possible crisis in the region near Japan, including the Taiwan Strait.

As can be seen, Taiwan remains a symbol of the complexity of the era in which we are living, both in terms of its domestic political and economic evolution and in terms of its role in the region of which it is a part. The essays which follow deal with aspects of this situation in a more detailed fashion, and are the products of extensive research and careful analysis. They warrant careful study if one is to appreciate the nature of Taiwan, its present and future, as well as the changing role of China, both in the region and in the world.

ROBERT A. SCALAPINO

PREFACE

In the decades since the 1972 historic Shanghai Communiqué was signed by President Nixon and Chinese Premier Zhou Enlai, much has transpired in the region addressed therein. China's fast-burn economic growth accompanied by a rising sense of nationalism, and Taiwan's transformation into a modern, industrialized, and democratic nation, have altered the dynamic between the two sides of the Taiwan Strait.

However, US policy has yet to catch up to the times, even as Chinese missiles were tested in the Strait waters and its People's Congress passed an "Anti-Secession Law" attempting to legalize military actions against Taiwan. Such developments have posed a potential crisis situation which would undermine US security and strategic interests in East Asia and, in the gravest scenario, lead to unwanted military confrontation involving the United States and other regional powers such as Japan.

As such, this adherence to the "One China" policy points to the struggle between idealism and realism within American foreign policy. Although the United States has tenuously supported a democratic Taiwan as a political and economic role model within East Asia, these ideals are incongruent with its heightened "conengagement" with an authoritarian Chinese regime in Beijing. In order to explore the danger of upholding the "One China" policy whilst advocating status quo across the Taiwan Strait, we must fully explore the complete historic, legal, sociopolitical, foreign policy, and international arena complications surrounding the dilemma of the "One China" policy. This is the discussion we humbly aim to commence within this book.

I want to thank the Palgrave Macmillan Publisher for its enthusiastic interest in publishing this book at an early stage of proposal. My deepest, sincere gratitude is also due to those contributors who strongly supported me throughout various stages of this book project. Other prominent scholars have also offered me invaluable and timely assistance in constructively reviewing the manuscript. Finally, a publication grant from the Taiwan Foundation for Democracy is graciously acknowledged. All of them have contributed to the publication of this book, along with the usual caveats.

It is my deepest regret that one of the contributors, Professor Edward Dreyer, passed away before the book reached publication. His excellence as a dedicated scholar is exemplified in chapter 2 of this book, which serves as one of his last

and excellent pieces. His passing is a deep loss in China Studies community, and we will miss him.

Finally, I would like to thank my family. My wife Alice, my daughter Isabella, and my son Philbert have tolerated my negligence of family obligations while I was editing this book. Their unwavering support has made this book possible.

PETER C. Y. CHOW

July 2007