THE ‘CHINA THREAT’ IN THE EYES OF THE TAIWANESE:
A REFLECTION ON TAIWAN’S SECURITY POLICY, 1988-2008

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Thesis submitted in fulfilment of
the requirements for
the degree of PhD
DECLARATION

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

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Date __________________________

STATEMENT 1

This thesis is the result of my own investigations, except where otherwise stated. Where correction services have been used, the extent and nature of the correction is clearly marked in a footnote(s).

Other sources are acknowledged by footnotes giving explicit references. A bibliography is appended.

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Summary

This thesis investigates the relationship between Taiwan’s threat perceptions and its national identity formation, with a focus on Taipei’s foreign policy conduct. Its central question is: how is China seen as a threat in contemporary Taiwanese security discourse and why? The current literature about the political formation of Taiwanese nationalism specifically points to threats from the mainland as a crucial condition in giving rise to an independent Taiwanese national consciousness. The thesis questions the idea that Taiwan’s perception of the China threat has caused the rise of Taiwanese nationalism through analyses of the ways in which China is viewed as an economic, political, and military threat in mainstream Taiwanese security discourse as well as their underlying assumptions and internal consistency. Inspired by David Campbell’s alternative approach, which conceives foreign policy as a practice of enhancing identity rather than an instrument employed by the pre-existing state to deal with external dangers and uncertainties, it suggests that Taiwan’s growing national consciousness is in part constituted by its repeated claim that there exists a China threat.

Looking closely at Taiwan’s security policy with respect to China that works to constitute the identity in whose name it operates, the thesis further considers the political consequences of adopting those predominant modes of interpreting China as a threat. Drawing mainly upon Richard Ned Lebow’s insight that any intelligent formulation of national interests are inseparable from justice, the thesis is wary of the harmful effects of Taipei’s identity strategies at home and abroad, for their lack of ethics at the core. Perceptions of the China threat in Taiwan thus not only point to the island’s insecurity in terms of its national identity’s lack of pre-discursive foundations, but also reveal its inability to cultivate an identity which does not rely on demonising Others and other ethically unacceptable strategies. ‘China threats’ in the eyes of the Taiwanese are in this sense more like a symptom of their difficulty in ‘becoming Taiwanese’ than a cause of such a transformation.
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Taiwan and mainland China adopt different systems of transliteration. To minimise confusion, the principle adopted here is to use the Pinyin system for names of individuals and places in the Chinese mainland, whereas Wades-Giles transliteration is used for individuals and places in Taiwan since this is how such people have been used to name themselves. As for references of Chinese-language works, only Pinyin is used.
Abbreviations

ADB    Asian Development Bank
AIT    American Institute in Taiwan
ARF    ASEAN Regional Forum
ASCM   anti-ship cruise missiles
ASEAN  Association of South-east Asian Nations
ASW    anti-submarine warfare
CBD    civilian-based defence
CBM    confidence-building measures
CCP    Chinese Communist Party
CFE    Conventional Forces in Europe
DPP    Democratic Progressive Party
DPU    Democratic Pacific Union
EU     European Union
EY     Executive Yuan
FDI    foreign direct investment
FTA    free trade agreements
GNU    Guidelines for National Unification
KMT    Kuomintang
IGO    inter-governmental organisations
IMF    International Monetary Fund
IR     International Relations
IRBM   intermediate-range ballistic missiles
IT     information technology
LACM   land-attack cruise missiles
LY     Legislative Yuan
MAC    Mainland Affairs Council
MND    Ministry of National Defence
MOFA   Ministry of Foreign Affairs
MRBM   medium-range ballistic missiles
MTCR   Missile Technology Control Regime
NATO   North Atlantic Treaty Organisation
NGO    non-governmental organisations
NIC    newly industrialised countries
NSC    National Security Council
NUC    National Unification Council
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<tr>
<th>Abbreviation</th>
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<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
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<tr>
<td>PAC</td>
<td>Patriot Advanced Capacity</td>
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<td>PACOM</td>
<td>Pacific Command</td>
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<td>PFP</td>
<td>People First Party</td>
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<td>PLA</td>
<td>People’s Liberation Army</td>
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<td>PNG</td>
<td>Papua New Guinea</td>
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<tr>
<td>PRC</td>
<td>People’s Republic of China</td>
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<tr>
<td>RMA</td>
<td>Revolution in Military Affairs</td>
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<tr>
<td>ROC</td>
<td>Republic of China</td>
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<tr>
<td>SAM</td>
<td>surface-to-air missiles</td>
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<tr>
<td>SARS</td>
<td>Severe Acute Respiratory Syndrome</td>
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<td>SME</td>
<td>small- and medium-sized enterprises</td>
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<tr>
<td>SRBM</td>
<td>short-range ballistic missile</td>
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<tr>
<td>TFD</td>
<td>Taiwan Foundation for Democracy</td>
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<td>TIE</td>
<td>Taiwan-invested enterprises</td>
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<tr>
<td>TMD</td>
<td>Theatre Missile Defence</td>
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<tr>
<td>TRA</td>
<td>Taiwan Relations Act</td>
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<tr>
<td>TSMC</td>
<td>Taiwan Semiconductor Manufacturing Corporation</td>
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<td>TSU</td>
<td>Taiwan Solidarity Union</td>
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<tr>
<td>UDHR</td>
<td>Universal Declaration of Human Rights</td>
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<td>UN</td>
<td>United Nations</td>
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PART I

‘CHINA THREAT’ AND TAIWANESE IDENTITY
Chapter 1. Introduction

This thesis explores the relationship between Taiwan’s threat perceptions and its national identity construction through an examination of Taipei’s post-Cold War foreign and security policy with respect to the People’s Republic of China (hereafter China, PRC, or mainland China). It is guided by two central questions. First, how is China perceived as a threat in mainstream Taiwanese security discourse and why? Second, what are the political consequences of adopting the predominant modes of interpreting China as a threat? These questions are important because various views outside China that consider it destabilising and aggressive are in effect derived from Taiwan’s claim that China is a threat to the regional stability; nevertheless, few intellectual inquiries have been made to investigate how China’s threat images come into being in Taiwan, their underlying assumptions, and practical effects. The thesis seeks to fill this void in the academic literature about Taiwan’s security policy, which has important implications for the study of threat perception in general and the debates on how to understand China’s rise in particular.

This introductory chapter will first sketch out the importance of looking into contemporary Taiwanese perceptions of the so-called China threat. The second section of the chapter will outline the analytical framework adopted in the thesis by comparing the conventional and critical conceptions of foreign policy. The chapter will conclude with an overview of the thesis structure and research method, which allows the reader to anticipate how my claim will be substantiated in the chapters that follow.
1.1 Why This Topic?

The idea that China is a threat is not new in Taiwan. Older generations of the population can still recall the constant warning of the Kuomintang (Chinese Nationalist Party, KMT) during the Cold War about the communist threat and their omnipresent agents on the island. Following the PRC’s economic development and military modernisation programmes since the early 1990s, however, the notion that there exists a ‘China threat’ has taken on new significance to the Taiwanese.

When President Lee Teng-hui described cross-Strait relations as a special state-to-state relationship in which the Republic of China (ROC) on Taiwan, like the PRC, retains sovereignty in one portion of China in July 1999 (to be discussed in Chapter 5), Beijing reacted with military exercises, enraged commentaries in the *Jiefangjun Bao* (*Liberation Army Daily*), and hints in the Hong Kong press that an attack was being planned on one of Taiwan-controlled offshore islands (presumably Matsu) on which I was serving as an army officer. I still remember how our commander General Hsueh Shih-min called on us to defend the islet by saying he would die with honour if we could ‘hold on’ for seven days. As a solider, my impression then that the PRC was a threatening enemy seemed almost natural.

After I completed my military service in April 2000, one month before the first power transfer from the KMT to the *de jure* independence-leaning Democratic Progressive Party (DPP) in Taiwan’s political history, I gradually came to realise that China’s threat image pervaded not only the military establishment but various aspects

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2. General Hsueh later had served as the Director of the National Security Bureau during the Chen Shui-bian administration. The 1999 Strait mini-crisis dissolved in late September after Taiwan was hit by a devastating earthquake.
of Taiwanese political and social life. A case in point was Taipei’s rejection of Beijing’s offer of two giant pandas in early 2006. Although the offer was declined in the name of animal conservation, the underlying reason of the DPP government was that accepting the pandas for free would violate the 1963 Convention on International Trade in Endangered Species of Wild Fauna and Flora (also known as the Washington Convention), thus falling into the Chinese Communist Party (CCP)’s trap that the gift of pandas was a ‘domestic transfer’, in which the animals are simply moved from one part of China to the other.

Moreover, it was believed that Beijing’s apparent goodwill gesture was designed to weaken the Taiwanese people’s psychological defence, as embodied in its new dictum ‘ying de geng ying, ruan de geng ruan’ (the hard harder, the soft softer) for guiding Taiwan policy, as one Taiwan Solidarity Union (TSU) legislator warned, the gift pandas actually represented the Chinese version of the ‘Trojan horse’. President Chen Shui-bian likewise commented that ‘Whatever China says or does to Taiwan, it has only one purpose—to annex Taiwan...giving away pandas and offering preferential treatment to the people of Taiwan are part of its measures to achieve this purpose. In view of this, to keep on tilting towards China is no different to committing suicide’. As far as public opinions are concerned, popular surveys sponsored by the Mainland Affairs Council (MAC) in the past decade have repeatedly found a much higher percentage of respondents who consider the PRC hostile toward Taiwan (both

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3 For an earlier study on the subject, see Kao-Hsian Liao, ‘Tiananmen shijian hou de “Zhongguo yinxian”: yi Meiguo yu Taiwan weili’ (‘Image of China’ in the United States and Taiwan after the Tiananmen Incident), Masters thesis, National Taiwan University, 2000.
5 This new approach to Taiwan is usually associated with President Hu Jintao’s ‘four point’ summary articulated in 2003 but highlighted more widely in 2005 at about the time that the Anti-Secession Law (discussed in Chapter 3) was passed. See Xinhua News Agency, ‘Hu Jintao Cites Four Points of Opinion on Taiwan Work When Addressing Taiwan Deputies’, 11 March, 2003.
7 Melinda Liu, ‘Panda Politics: Why Taiwan May Refuse China’s “Trojan Pandas”’, Newsweek, 10 January, 2006. Then-Deputy Secretary of the State Robert Zoellick had reportedly suggested that Taipei could accept the pandas in the name of cross-Strait peace as Washington did in the 1970s, but that line of thinking did not get much attention in Taiwan.
in terms of the ROC government and the people of Taiwan) than friendly.\footnote{Poll data available online at <http://www.mac.gov.tw>. MAC is a cabinet-level agency responsible for enacting laws and regulations governing cross-Strait relations.}

Before going on to discuss a puzzle relating to Taiwan’s perceptions of danger (which will be the subject of Chapter 2), it is important to consider first why a topic about Taiwanese threat perception is worth exploring for reasons other than academic curiosity. Despite the frequent description of the Taiwan Strait as ‘the most dangerous place on the planet’ and ‘a tinderbox for war between the United States and China’,\footnote{Michael Mandelbaum quoted in Edward Friedman, ‘China’s Dilemma on Using Military Force’, in Edward Friedman (ed.), China’s Rise, Taiwan’s Dilemmas and International Peace (London: Routledge, 2006), p. 205.} the view that Taiwan as a small country is inevitably vulnerable to the US-PRC relationship has led not a few analysts to assume away the role of Taipei’s perceptions and decisions or minimise its influence relative to other factors.\footnote{See, for example, Robert S. Ross, ‘The 1995-96 Taiwan Strait Confrontation: Coercion, Credibility, and the Use of Force’, International Security, 25:2 (2000), pp. 87-123; Robert S. Ross, ‘Balance of Power Politics and the Rise of China: Accommodation and Balancing in East Asia’, Security Studies 15:3 (2006), pp. 355-95; and Camilla T.N. Soerensen, ‘The Possibility of a “Peaceful Development”? The Development in China’s Post-Cold War Security Policy’, paper presented at the International Studies Association Annual Convention, Chicago, Illinois, 28 February - 3 March, 2007. Political scientists in Taiwan working under the framework of the US-China-Taiwan ‘strategic triangular’ also tend to hold that there is little room left for Taipei to manoeuvre after Beijing and Washington each decide their respective positions. Yu-Shan Wu, Kangheng huo hucong: liangan guanxi xinquan (Balancing or bandwagoning: cross-Strait relations revisited) (Taipei: Chengchun, 1997), chap. 4.} For example, Alan Wachman argues that the present cross-Strait dispute over Taiwan’s status is not just one about China’s nationalism, the unfinished civil war project, historical grievances, or the CCP’s regime legitimacy as the prevailing accounts hold; rather, it should be considered as one phase in a long history of China’s relationship to the island. When Taiwan was possessed by the Dutch, by Zheng Chenggong (known as Koxinga in the West) and his fellow Ming loyalists, and by the Japanese, geography and the island’s territorial salience compelled Ming, Qing (Manchu) and Republican Chinese officials to deal with Taiwan as an extension of their relationship to those other powers. Leaders of the PRC are by no means the first of China’s rulers to see Taiwan as a potential bridgehead (when controlled by foreign rivals) and as a strategic buffer (if in
China’s hands). Hence Wachman writes, ‘Just as one would not study the history of the PRC relations to Mongolia, Xinjiang, or Tibet without taking account of the Sino-Soviet or Sino-Indian rivalries’, one cannot overemphasise ‘the importance of seeing the cross-Strait relationship in the context of Sino-U.S. rivalry’. 11

With the foregoing in mind, it is equally important not to consider the question of Taiwan’s security exclusively in light of the PRC’s relationship to existing or potential strategic competitors, notably the United States and Japan. One must be wary of the pitfalls of discounting lesser powers’ agency in international politics, which has proved itself capable of catching major powers by surprise from time to time. Indeed, Thomas Schelling had been amazed by the 1958 Quemoy crisis as to how Chiang Kai-shek managed to drag an unwilling Eisenhower administration into his confrontation against Mao Zedong. 12 Even Kenneth Waltz, a scholar so preoccupied with the structure of the international system, also stressed that ‘The fate of each state depends on its responses to what other states do’. 13 When considering the security situation in the Taiwan Strait, then, it is worth examining how Taipei has perceived and responded to Beijing’s strategic behaviour against the backdrop of the Sino-US and Sino-Japanese relationships.

Put differently: In what way is Beijing’s ‘reunification’ campaign viewed as threatening by Taipei? How does the latter respond to and relate that perceived threat to its security ties with the United States and, by extension, Japan? Stating that the PRC’s words and deeds to deny the fact that the ROC has functioned and continues to function as an independent (albeit isolated) state is not enough to explain why Taiwan’s security environment is seen as deteriorating for policymakers in Taipei and

their counterparts in Washington, Tokyo or elsewhere. If the confluence of certain conditions prompts Taipei’s fear to see Beijing’s behaviour as more threatening than before, what are those conditions? In short, whether or not one subscribes to the widespread belief that the cross-Strait dispute is ‘the only issue in the world today that could realistically lead to war between two major powers’, namely the PRC and the United States, a logical first step should start from looking at how China is perceived as a threat in Taiwan and why. The significance of Taipei’s threat perception and security policy can be illustrated with the reversed logic as well. After all, the familiar ‘Taiwan Strait-as-the-most-dangerous-flashpoint-on-earth’ assertion simply does not hold without Taipei’s identification of China as the principal threat in the first place.

Lest there be any misunderstanding, the purpose of this thesis is not to identify or ‘correct’ any perceptual error that may occur in Taipei’s decision-making with respect to China. Since the mid 1990s, PRC officials, government-affiliated analysts and academics have been vigilant against various negative views about China (which are typically lumped together under the rubric of Zhongkuo weixielun or ‘China threat theory’) and are quick to rebut those foreign defamations or ‘misperceptions’. As will be shown, however, the outcome of this analysis does not bring much comfort to their counter-strategy of building a co-operative, responsible image for China. Nor does it attempt to gauge the extent to which China may be a threatening revisionist

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vis-à-vis Taiwan. As Alastair Iain Johnston has demonstrated, it is extremely difficult to empirically establish China’s revisionist status on the basis of the available conceptual tools in International Relations (IR) (to be discussed in greater details in Chapter 6). In sum, whether the ‘China threat’ is imagined or real is not the focus here. To repeat the central questions laid out at the outset of the Introduction, the thesis is concerned with the ways in which China has been perceived as a threat in Taiwan, their underlying logics and political consequences.

1.2 Conventional and Critical Conceptions of Foreign Policy

The analytical framework adopted in the thesis is based on an alternative formulation of foreign policy that does not conceive it simply as the policies of states oriented toward the external world but rather a political practice that draws boundaries between states. Obviously, this is not a traditional definition one often encounters in the study of foreign policy. Christopher Hill, for example, defines foreign policy as ‘the sum of official external relations conducted by an independent actor (usually a state) in international relations’. Walter Carlsnaes likewise holds that foreign policy entails ‘those actions which, expressed in the form of explicitly stated goals, commitments and/or directives, and pursued by governmental representatives acting on behalf of their sovereign communities, are directed towards objectives, conditions

18 This alternative formulation draws upon David Campbell, Writing Security: United States Foreign Policy and the Politics of Identity, revised edn. (Minneapolis: University of Minnesota Press, 1998).
an actors—both governmental and non-governmental—which they want to affect and which lie beyond their territorial legitimacy’. 20 This familiar conception of foreign policy treats it as the ‘authoritative actions which governments take—or are committed to take—in order either to preserve the desirable aspects of the international environment or to alter its undesirable aspects’; 21 through these ‘goal-oriented or problem-oriented’ programmes ‘directed toward entities outside of the policymaker’s political jurisdiction’, 22 governments adapt themselves to a changing international environment in the hope of maintaining and, if possible, promoting their national interests.

It is not the purpose of this thesis to argue that the above alternative conception of foreign policy is ‘better’ than the conventional one or to draw a clear-cut, sharp distinction between them; nevertheless, it is concerned that, when accepted too readily, the latter is less likely to lead one to question the relationship between Taiwan’s threat perception and its national identity construction. As David Campbell indicates, it is important to ask ‘how foreign policy comes to be understood as the bridge between sovereign states existing in an anarchic world, a bridge that is constructed between two prior, securely grounded, and nominally independent realms’. 23 Seen in this light, it is important not to consider Taiwanese foreign policy solely as the external orientation of a pre-given and settled national identity. In so doing, the thesis hopes to make a knowledge-claim which is self-reflective in nature, which is aware of its conditions of possibility. My analysis is specifically guided by the following five

elements in what Paul Williams has called ‘critical foreign policy’: 24

First, a critical approach to foreign policy should look at actual case studies and evidence, with an explicit theoretical and normative commitment. Second, both structure and agency need to be brought into foreign policy analysis, with decisions being made (agency) but always within a set of constraints (structure). Third, critical accounts of foreign policy accept a holistic view of politics and avoid the pitfall of seeing politics as merely involved at the governmental level. Fourth, studying foreign policy critically requires one to appreciate the constitutive nature of knowledge. Finally, the study of critical foreign policy recognises that things could have always been otherwise; in other words, decision makers find themselves operating within parameters which constrain their freedom, but equally they do make decisions.

1.3 Method

In order to understand Taiwanese threat perception regarding China, this thesis looks at various first-hand and second-hand materials pertaining to Taiwan’s security policy that are available in the public domain, such as policy statements, official speeches and statistics, newspaper articles, think tank studies, and so on by using the technique of discourse analysis. The version of discourse analysis adopted here is one that can be applied to both naturally occurring and contrived forms of talk and to texts, which emphasises ‘the way versions of world, of society, events and inner psychological worlds are produced in discourse’. 25 From this perspective, discourse is not simply a

‘neutral’ device for imparting meaning; rather, discourse analysis is concerned with the strategies people employ—consciously or not—in trying to create different kinds of effect. It asks what the discourse is doing, and how the discourse is constructed to make that happen:

For example, a certain discourse concerning mental illness comes to make up our concepts of what mentally ill persons are like, the nature of their illness, how they should be treated, and who is legitimately entitled to treat them. The discourse thus becomes a framework for the justification for the power of practitioners concerned with the mentally ill and for their treatment regimes. In this way, a discourse is much more than language as such: it is constitutive of the social world that is a focus of interest or concern.26

In my case study chapters on Taiwan’s economic policy toward the mainland, its quest for international recognition and US arms sales debates, therefore, I do not merely describe how China comes to be seen as the most serious threat to Taiwan’s economic, political, and military security. I put no less emphasis in examining the underlying assumptions and internal consistency of those prevailing perceptions in a manner congenial to IR theory-minded readers. The reason of doing so is not just because theoretically informed cases can help build solid knowledge about foreign policy;27 as will be seen, engaging IR theory (notably some versions of realism) is helpful for understanding how the mainstream security discourse has been constructed in particular ways that work to make the image of a different, antagonistic China in Taiwan possible.

Such an approach also reflects this author’s effort to take part in a conversation with IR theorists. In his remarks on the evolution of IR theory in Britain over the last three decades, Chris Brown argues that International Relations theory is better

understood as a branch of applied political philosophy, with emphasis on all three terms, and attempts to theorise a practice; the current tendency for theory having too high a status relative to other discourses and being less connected to them in British IR is thus an unhealthy situation to be addressed. To avoid perpetuating that situation, he urges those who see the development of theory as their primary role in academic life (‘theorists’) to be more committed to applied as opposed to pure theory and to interaction with those who are predominantly engaged in what they take to be some other aspects of the discourse (‘non-theorists’); because communication is a two-way process, non-theorists need to push theorists to engage with their agendas as well. By investigating the ways in which China is perceived as a threat in Taiwan and the manifest political consequences of adopting those realist modes of interpretation, the thesis also seeks to add to an exercise in reflexivity that acknowledges that mainstream IR theory in general and realism in particular have never been simply explaining Taiwan’s strategic behaviour under the shadow of China but rather an intimate part of the political problems in Taiwan.

1.4 Organisation

This thesis is divided into three parts. Part I “China Threat” and Taiwanese Identity’ consists of three chapters, which question the taken-for-granted connection between Taiwanese perceptions of the China threat and the rise of Taiwanese national consciousness and proposes an alternative explanation of that relationship. Part II ‘Modes of Interpretation’ is constituted by three case study chapters, which investigate how China’s threat images come about in Taiwan’s mainstream security

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discourse and why. Part III ‘Political Consequences’ reflects upon the manifest consequences of adopting the prevailing modes of interpreting China as a threat and calls for an ‘ethical turn’ in Taiwan’s foreign policy.

In more detail, Chapter 2, following this short introductory chapter, discusses the puzzle as to why Taiwanese leaders and general public alike tend to be sensitive to indications of oppressions and intimidations from the Chinese mainland. This is puzzling because Taiwan’s mode of threat perception is at odds with that of other weaker states in comparable settings, as examined in some psychological treatments of international relations. In the literature on the change of national identity in Taiwan, the prevalent explanation about Taiwan’s perceptual vigilance holds that the rise of Taiwanese nationalism is a natural reaction to the perceived China threat against Taiwan. The chapter disputes this familiar ‘reaction-against-China threat’ argument by proposing an alternative interpretation of the relationship between Taiwan’s threat perceptions and its national identity formation. It suggests that, rather than simply working as a ‘pushing force’ that gives rise to the current notion of ‘Taiwanese’ as a national identity, China’s threat image in Taiwan illustrates more about Taiwan residents’ difficulty in constructing such an identity.

Chapter 3 provides a brief overview of Taiwanese security discourse on how to deal with China in the post-Cold War period. Three major themes are discernible in Taipei’s perception, interpretation, and response to the ‘China threat’: first, given China’s growing economic power and its magnetic effect, having excessive economic transactions with the mainland will only to lead to the further marginalisation of Taiwan; second, democracy is a fundamental difference between the political systems on the two sides of the Taiwan Strait, which explains Beijing’s animosity and offers a valuable asset for Taipei to regain international recognition and support; and, third, the asymmetric trends of military modernisation on the two sides, if continued, will
make Taiwan more vulnerable to China’s pressure. The chapter finds that contemporary analyses of Taiwan’s security policy tend to treat the ‘China threat’ as a self-evident ‘fact on the ground’; they are generally inattentive to understanding the ways in which perceptions of China as an economic, political, and military threat to the security of Taiwan have taken prominence on the island and their potential political consequences.

While many in Taiwan’s business sector had been calling for a greater normalisation of cross-Strait economic exchanges since the ban on trading with the mainland was lifted in 1987, Taipei maintained a restrictive economic policy toward China throughout Lee’s and Chen’s presidencies on the ground that asymmetric economic interdependence across the Strait is conducive to Beijing’s use of its economic leverage to exploit Taiwan’s vulnerability. Drawing upon the pertinent literature in the field of political economy, Chapter 4 indicates that treating China as an unambiguous economic threat and the consequent attempts to regulate private business decisions overlook that the political economy of state-business relations is essentially a dynamic process of complex interactions in which multiple actors with different organisational characteristics and public-private connections interact with one another to produce a wide range of results. That is to say, the situation that neither side of the Taiwan Strait is capable of dictating the economic outcomes of their respective policies should have at least provided Taipei with some reassurance against the magnetic effects of China’s booming economy and its long-term consequences. Through a thorough examination of offensive realism, the chapter further tackles a common tendency to view rising powers as invariably destabilising and war-prone. It concludes that Taipei’s restrictive economic policy in the final analysis is not about the problem of relative gains or safeguarding Taiwan’s economic well-being, but about preventing cross-Strait economic interactions from obscuring Taiwan’s
emerging indigenous identity.

Contrary to a widely held belief in post-authoritarian Taiwan in the omnipotence of democracy to ensure the island’s autonomy in the face of China, Chapter 5 argues that toward the end of the second Chen administration the ‘marginal utility’ of Taipei’s use of the ‘democracy card’ in garnering international sympathy has been drastically decreasing; recent examples include its failure to persuade major members of the ‘liberal democratic community’, the United States in particular, to support or at least acquiesce in its proposed referendum on joining the United Nations (UN) under the name ‘Taiwan’ held alongside the presidential election in March 2008. The declining utility of Taiwan’s democratic image in its external relations, however, is not due to the blame game between Taipei and Washington as to whether the United States is bowing to Chinese pressure at the expense of Taiwan’s democratic deepening, or Taiwanese ruling elites’ tactic of mobilising mass support is unnecessarily provocative. Rather, the chapter suggests that the quarrel is indicative of the emergence of a new standard of civilisation based on the degree of democratic-ness in world politics. While mainstream security discourse in Taiwan has been deeply embedded in the binary structure of a democratic, peace-loving Taiwan versus an authoritarian, war-like China, in urging Taiwanese leaders to ‘responsibly’ strike a balance between promoting their political values and protecting their people’s vital interests, senior US officials too unwittingly reproduce the rhetoric of democracy as civilisation. Unable to comprehend the operation of this Huntingtonian trope in which Taiwan as a ‘maturing’ democracy (meaning potentially trouble-making) has been located between the West and the rest for the purpose of strategic appropriation, Taipei mistakenly believed that it occupied the moral high ground vis-à-vis not only China but other major powers in the UN referendum controversy.

Chapter 6 investigates how China’s continuing military modernisation is seen as
the most serious threat to Taiwan’s physical security in official security discourse and the ways in which Taipei has sought to deal with that perceived unfavourable trend. It first examines the protracted debate among the DPP government, the ‘Pan-Blue’ opposition parties and US officials and analysts over the 2004 Special Defence Budget controversy, following the George W. Bush administration’s decision to offer an unprecedented arms package to Taiwan in April 2001. The controversial special budget was the biggest ever special defence bill that Taiwan’s cabinet had sent to the legislature for review. In defence of its arms procurement programme, the Chen administration resorted to a particular mode of interpreting danger, that is, the military balance across the Taiwan Strait has been shifting in China’s favour and thus it is imperative to correct the imbalance through fielding the weapons systems provided by Washington. The chapter then explores the underlying assumptions of that prevalent interpretation in the official articulation of Chinese military threat in Taiwan and the United States, which holds that offensive advantages make war more likely—a principal hypothesis of defensive realism. Rather than focusing on the methodological ambiguities about how to define and measure the ‘offence-defence balance’, the chapter questions Taipei’s rationale of arms procurement by suggesting that these ambiguities actually show how understanding the modernisation of Chinese military power is a practice of interpretation. The annual defence budget’s steady decline as a percentage of GDP throughout the first six years of the DPP government reinforces my claim that that the special budget case is indicative as to how Taiwan’s defence policy is better understood as a political practice central to the constitution, production, and maintenance of a peace-loving Taiwanese political identity contrary to the belligerent Chinese than as an instrument to build and maintain a capable defence posture against potential PRC attacks on Taiwan.

Having examined how China has been viewed as a threat in Taiwanese security
discourse and the underlying logic of the prevailing perceptions, Chapter 7 analyses the political consequences of adopting those predominant modes of interpretation. It first discusses the necessity of making judgement about Taiwan’s post-Cold War foreign and security policy as a practice of consolidating its identity. On the basis that ethics enables sustainable interests, the chapter then offers a critique of such identity formation practice. Rather than seeing the relationship between ethics and the formulation of national interests as being routinely competing and conflicting, the perspective adopted here holds that justice and security, and interests and ethics, could be reconciled at a more fundamental level of understanding; that is, substantially and instrumentally rational interests could not be formulated outside of some language of justice and the communities it enabled. Although communal bonds can be easily undermined by the unrestrained pursuit of unilateral advantages by individuals, groups, or states, failure to subordinate political goals to the requirements of justice typically leads to self-defeating behaviour abroad and at home. From this perspective, Taipei’s increasing reliance on bribes, instead of persuasion, to compete with Beijing in the numbers game of winning as many diplomatic recognitions as possible since the 1990s already anticipated the profound legitimacy crisis of the DPP government in the mid-2000s, where numerous high-ranking officials, members of the first family, and President Chen himself were all charged with involvement in corruption. Another case in point is Taipei’s approach to national identity construction that resorts to the mobilisation of social capacities and political power by casting Others as enemies could not prevent the downfall of pro-independence political forces in Taiwan, as seen in the devastating defeat of the DPP in both legislative and presidential elections in early 2008.

Chapter 8 summarises the argument and findings of the preceding chapters, discusses their theoretical and policy implications, and suggests directions for further
research. To repeat the core argument of this analysis, the prevailing perceptions of the China threat in Taiwan as expressed in its security discourse do not fit well with the conventional wisdom that China is so threatening that an exclusive, ‘native’ identity is required to unite people in Taiwan against the threat. Rather, they reveal a lot about the island’s insecurity in terms of its national identity’s lack of pre-discursive foundations as well as its inability to cultivate an identity which does not rely on demonising Others and other ethically unacceptable strategies. This suggests that, before Taipei can articulate a new identity strategy that does not seek to manipulate and mobilise in-group/out-group animosities, Beijing is unlikely to dispel China’s threat image in Taiwan (and, indeed, elsewhere) simply through ‘correcting’ common sources of misperception.
Chapter 2. ‘China Threat Theory’ in Taiwan: the Puzzle

In this short chapter I will set out to examine what is particular about China’s threat images in Taiwan that warrants academic inquiry, discuss the prevailing view about the connection between the perceived China threat to Taiwan and the island’s national identity construction, and offer an alternative interpretation of that connection. On this basis two central questions are devised to guide this research. First, how is China seen as a threat in Taiwanese security discourse and why? Second, what are the manifest consequences of adopting these predominant modes of interpretation?

While little systematic effort has been made to investigate Taiwanese threat perceptions concerning China, the burgeoning literature on the change of national identity in Taiwan since the 1990s provides a clue to the puzzle as to why Taiwanese leaders and people alike are generally alert to any slight indication of oppressions and intimidations from the mainland. Such inclination creates a puzzle because, according to some psychological treatments of international relations, weaker states tend to perceive a given country as less a menace than do stronger ones and to underestimate the chances of harm than be highly sensitive to them.

It is widely held by those who (both abroad as well as local) support, observe, or even oppose Taiwan independence that the cause for emerging Taiwanese national consciousness is a product of the Beijing-imposed international isolation and the military threat from across the Taiwan Strait. From this perspective, the ‘China threat’ against Taiwan, or at least Taiwanese perceptions of it, has caused the rise of Taiwanese nationalism; enduring rivalries compel the people of Taiwan to react to the sources of their common suffering (in Ernest Renan’s sense), which, in turn, has

gradually forged a collective memory that is part of each individual’s life.

This thesis seeks to provide an alternative account of the relationship between the prevalent perceptions of China as a threat in Taiwan and its national identity formation. It suggests that China threats in the eyes of the people of Taiwan are better understood as a symptom of their difficulty in constructing ‘Taiwanese’ as a national identity than a cause of such a transformation as the conventional wisdom holds. This is so because the levels of threat Taipei claims to perceive from China are stronger than those of the countermeasures it has undertaken, which in turn casts doubt on the appropriateness of the common formulation that treats foreign policy as an intentional act adopted by the pre-given state to cope with the dangers and uncertainties stemming from its security environment. The argument advanced here holds that Taipei’s post-Cold War foreign policy can be interpreted as an exercise in constituting Taiwanese identity through its repeated claim of China threats; furthermore, on the basis that sustainable interests cannot be separated from ethics, the thesis is wary of the harmful consequences of such an exercise both domestically and internationally.

This chapter will first consider the puzzle as to why Taiwan’s threat perceptions concerning China ‘deviate’ from the mode of perceptual defence discussed in the psychological approach to foreign policy analysis. It will then examine how this issue has been (indirectly) dealt with in the literature about the origins of Taiwanese nationalism. The third section will propose an alternative interpretation of the association between Taiwan’s perceptions of the China threat and the rise of Taiwanese national consciousness.

2.1 Weak States and Threat Perception

As mentioned in Chapter 1, questions related to Taiwanese threat perception have not
been adequately addressed by scholars of IR in general and of East Asian security in particular. Those who do touch upon the issues (mainly in the US) are confused by Taiwanese officials’ seemingly contradictory assessments that war is likely but not imminent and thereby conclude that Taiwan underestimates China’s military threat, even though various polls sponsored by the MAC in the past decade indicate otherwise. As a result, the puzzle that Taiwan’s mode of threat perception diverges from that of other weaker states in comparable settings has largely gone unnoticed.

In his landmark study of psychological factors affecting foreign policy making, Robert Jervis notes that sometimes people are sensitive to any slight indication of a potential disaster (perceptual vigilance), but sometimes they refuse to accept overwhelming evidence and underestimate the chances of harm (perceptual defence). For him, most of these findings in experimental studies can be accounted for by a twofold proposition that is relevant to foreign policy perceptions: ‘if there is nothing a person can do to avoid the pain that accompanies a stimulus, his perceptual threshold for the stimulus will be raised (defense). If, on the other hand, he can avoid the pain by recognizing the stimulus and taking corrective action, his threshold will be lowered (vigilance)’. This is because there would be no payoff from either a psychological or a rational choice perspective in detecting a danger, if the person can do nothing to avert it.

The difficulties of making inter-state and inter-individual comparisons notwithstanding, Jervis suggests that weaker states are generally inclined to ignore or to minimise the importance of the threat than are stronger ones, especially when they

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3 The percentage of respondents who consider the PRC hostile toward Taiwan normally exceeded fifty. Poll data available online at <http://www.mac.gov.tw>.

lack the ability to protect themselves. For example, throughout the post-war era the United States saw the Soviet Union as more aggressive than did its smaller allies even though the latter were more directly threatened by any danger that may exist. Likewise, French leaders during the 1950s tended to seek less undesired information about costs and effects of a nuclear war than did their American and British counterparts since Paris could do little to deter the outbreak of such a war. Viewed in this light, Taiwan’s perceptual vigilance vis-à-vis China in the post-Cold War period is puzzling because its ability to act effectively on incoming information (or at least its beliefs about such ability) has not increased in any significant way (such as acquiring nuclear weapons or joining the US-led regional theatre missile defence system). In fact, as will be seen in Chapter 3, Taiwanese political elites are deeply concerned with the efficacy of Taiwan’s countermeasures in the face of a rising China.

Jervis’ proposition that the predisposition to perceive a threat varies with the state’s beliefs about its ability to take effective counteraction can be further buttressed by mainstream deterrence theory. If the credibility of a deterrence policy lies in whether and how far the sender can establish its ‘reputation for action’, it makes good strategic sense for the weaker target state to de-emphasise the sender’s threat image rather than play it up (hence Mao Zedong’s famous assertion that US imperialism was no more than a ‘paper tiger’ before China succeeded in developing nuclear weapons). This line of reasoning is affirmed by one Chinese scholar’s comment that the PRC should maintain a certain threat image in Taiwan, for Beijing’s wholesale rejection of the China threat theory internationally in favour of the idea of

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5 Ibid., pp. 376-77. One might argue that the key variable in the French case was more knowledgeable threat perception than weakness. This is, of course, a question of evidence, and my purpose here is to explore the possible missing link in Jervis’ generalisation so as to make sense of the Taiwanese puzzle.
6 For Schelling, a state’s ‘reputation for action’ consists of ‘other countries’ beliefs (their leaders’ beliefs, that is) about how the country can be expected to behave’, which is ‘one of the few things worth fighting over’. Thomas Schelling, *Arms and Influence* (New Haven: Yale University Press, 1966), p. 124. See also Jervis’ definition of image in his *The Logic of Images in International Relations* (Princeton: Princeton University Press, 1970), p. 5.
‘peaceful development’ (*heping fazhan*) might make its resolve to defend ‘territorial integrity’ less credible to forces promoting Taiwan independence.\(^7\)

Finally, given the absence of formal military alliance between Taiwan and the United States since 1979 and Beijing’s opposition to its restoration in any form, it would be much easier to facilitate US-Taiwan security co-operation without heightened cross-Strait tensions (see Chapter 6 for more discussions). An overly sensitive threat perception on the part of Taipei might increase Washington’s anxiety that a closer co-operation with its *de facto* ally could draw it into an unwanted conflict with the PRC.\(^8\) How, then, can we make sense of the widespread China threat theory in Taiwan?

### 2.2 China Threats as a Cause of the Rise of Taiwanese Nationalism

Taiwan’s prevalent perceptions of China as an ever-present threat appear to pose an anomaly to the mainstream view held in psychological approach to foreign policy making and deterrence theory in IR in terms of avoiding unpleasant information and discrediting the opponent’s resolve. But a potentially plausible explanation of the puzzle can be found in the current literature on the political formation of Taiwanese nationalism.

Since the 1990s, scholars working on the subject have been busy in analysing the dynamic interactions between Taiwan’s democratisation, national identity, and state building. A central question for them is why Taiwanese nationalism surges so quickly,


replacing the once dominant Chinese nationalism on the island, and what the implications are for Taiwan’s political future and national security. Although nationalism is often defined as a political principle that upholds that the political and national units should be congruent, it would be remiss if one too readily conceives the transition of national identity in Taiwan as a clear-cut, ‘fading Chinese nationalism vs. rising Taiwanese nationalism’ process.\(^9\)

As far as the nature and origins of Taiwanese nationalism is concerned, some believe that the democratisation of Taiwan’s political system enables the ‘pent-up’ native identity to surface;\(^10\) some maintain that the rise of Taiwanese identity and support for Taiwan independence is a result of elite competition and mobilisation.\(^11\) Either way, both see political democratisation as a cause and the rise of Taiwanese national consciousness as one of its effects. The prevailing, liberal argument is that democratisation serves as a ‘pulling force’, drawing people together through the process of political participation, which not only provides a public sphere for them to communicate and understand each other, but also broadens and deepens their daily interactions by absorbing different groups and interests into the political system. Regular political participation has thus gradually formed a collective consciousness among the people, creating in them a sense of loyalty to ‘Taiwan’ as a political community in its own right rather than a mere geographic location under the previous Chinese nationalist narrative. The notion of the term ‘Taiwanese’ has been similarly transformed from an ethnic sense to one that is flexible and civic, allowing a large

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\(^9\) Christopher R. Hughes, *Taiwan and Chinese Nationalism: National Identity and Status in International Society* (London: Routledge, 1997) has noted the development of a ‘post-nationalist’ Chinese identity in Taiwan during the first half of the 1990s which deviated from the congruency principle.


portion of the population to claim to be politically Taiwanese and culturally Chinese at the same time.\textsuperscript{12}

If the practice of democracy in Taiwan has worked according to what Renan called an ‘everyday plebiscite’ nurturing a sense of belonging among the people of Taiwan, Lin Chia-lung (former Vice Secretary-General of the Presidential Office) argues that Beijing’s constant hostility toward Taiwan has functioned as a ‘pushing force’, which, together with the aforementioned pulling force, has been playing the most important role in contributing to the surge of Taiwanese nationalism in the post-Cold War era. He said:

The long-existing and ever-growing threat from China is fostering a sense of common suffering among all people of Taiwan regardless of ethnicity. To protect their hard-earned civil rights against the Chinese Communist regime, the people on the island are being forced to overlook their differences and recognize one another as an indispensable part of this new democratic community that is under threat.\textsuperscript{13}

Drawing on Renan, Lin suspects that having suffered together under the perceived China threat might weigh more in the formation of Taiwanese national identity than the sharing of glory (i.e., achievements in political democratisation) because ‘suffering imposes obligations and demands common efforts’, which is conducive to shaping a common memory shared by the people of Taiwan.\textsuperscript{14} He highlights the positive correlation between the rise in cross-Strait tension and people’s self-identification as Taiwanese and support for Taiwan independence in popular surveys to back his claim, that is, whenever the perceived animosity from China increased, Taiwanese consciousness also rose as a result.

Among the examples Lin cites to confirm the existence of such an association,

\textsuperscript{14} Ibid., pp. 238-39.
the Thousand Island Lake Incident on 31 March, 1994 deserves particular attention. Located in Zhejiang Province, the lake is the largest national park in China which is famous for its supreme quality of water (clear enough for one to see twenty five feet below the surface). To date, it has been one of the most popular spots for tourists from Taiwan. In this incident, a group of twenty-four Taiwanese tourists were robbed and murdered during their visit to Thousand Island Lake. In the beginning, the Zhejiang provincial authorities denied all clues suggesting foul play and did not assist the victims’ families in locating responsible officials. It also refused the media’s requests to visit the yacht on which the victims were burned to death. This lethargic response led to great suspicion on the Taiwanese side, which believed that PRC officials must have been involved in the killing and that China’s quick execution of the three criminals was intended to hide the truth rather than demonstrate its resolve to combat crime. In its report to the Legislative Yuan (Taiwan’s parliament), the National Security Council (NSC) asserted that there was evidence indicating the People’s Liberation Army (PLA)’s involvement in the crime.15

For Lin, the significance of the incident to the surge of Taiwanese nationalism—the people’s support for independence (33 percent of the population) and Taiwanese identity (41 percent) both reached a historic high—cannot be over-emphasised: ‘First, it demonstrated the fundamental differences between the two societies in terms of respect for human rights and the rule of law and provided a sharp contrast between a civic culture and an uncivil one. Second, it enhanced a sense of common suffering and imprinted a collective memory among the people of Taiwan’ because regardless of their ethnicity they all share Taiwan’s destiny when the island is in conflict with China.16 He specifically uses President Lee’s remarks on the incident

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15 See China Times (Taipei), 21 April, 1994, p. 3. No detail was given as to what kind of hard evidence linking the PLA to the crime.
to underline his argument. His words are worth quoting at length:

The shock and anger that the Thousand Island Lake Incident invoked in Taiwan are universal and [felt] across parties... It has also cast a deep shadow over our cross-strait exchanges. Our people are angry because a civil [sic] society would never allow things like this to happen. What makes it even more serious is that a modernized government would never behave as irresponsibly as the PRC authority, and act so slowly and clumsily in critical events like this when human lives are involved.

I speak in such strong words because the PRC does not seem to me a civilized country. Taiwan is a civilized country...everything is on track and has an order. It is not like this on the Mainland... The basic point is that sovereignty should be put in the hands of the people. The Chinese Communists say that Taiwan is a province of the PRC; this is ridiculous. They have never received a dime of tax from Taiwan and never ruled Taiwan for even one day; also their government is not elected by the people of Taiwan. So where did their sovereignty over Taiwan come from?\footnote{17}{Government Information Office (ed.), \textit{Sacrifice and Hard Work: A Collection of the Speeches of President Lee Teng-hui} (Taipei: Government Information Office, 1995), pp. 387-88. Quoted in ibid., pp. 233-34. The more well-known 1995-1996 Strait crisis is another oft-cited case in the security studies literature as well as the study of Taiwanese politics to illustrate the conventional wisdom that the rise of Taiwanese nationalism is a natural reaction to, or protest against, China’s oppressions and intimidations. See, for example, Suisheng Zhao (ed.), \textit{Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis} (London: Routledge, 1999).}

Lin however fails to look into the seemingly negative feedback loop between the perceived increasing hostility from the PRC and the rise of Taiwanese national consciousness, which, for many Taiwan watchers, may lead to formal independence and armed conflict in the Taiwan Strait and entail a showdown between China and the United States.\footnote{18}{On the difficulty for Washington to maintain a delicate equilibrium across the Taiwan Strait, see Richard C. Bush (former Chairman and Managing Director of the American Institute in Taiwan), \textit{Untying the Knot: Making Peace in the Taiwan Strait} (Washington, D.C.: Brookings Institution Press, 2005).} Of course, when it comes to war and peace in the Taiwan Strait one should not overlook issues such as Beijing’s Taiwan policy and Washington’s China policy; it is equally clear that changes in Taiwan’s national identity cannot tell the whole story. Nevertheless, given that domestic political developments in post-authoritarian Taiwan have increasingly become the most \textit{dynamic} element in cross-Strait relations and the Washington-Beijing-Taipei triangle, concentrating on the
relationship between perceptions of the China threat on the island and Taiwanese nationalism is warranted.

Wu Yu-shan pursues this theme through examining three main components that are necessary for the above worst-case scenario to happen, which include an inexorable rise of Taiwanese nationalism, the convergence of Taiwanese national identity and future of nation preference (i.e., pro-independence), and political expressions of such an attitude in electoral campaigns and government policies. He indicates that if the cause of the rise of Taiwanese nationalism is ‘structural’, such as in the pent-up identity explanation, then one can project this tendency into the future with certain confidence. If it is contingent on ad hoc events and processes, as in the prevailing reaction-against-China threat argument or the political elite engineering explanation, then a trend reversal is possible to occur. For example, a more ‘enlightened’ Taiwan policy on the part of Beijing combined with intensive cross-Strait economic and social interactions might revive Chinese identity on Taiwan.

Whatever the cause of the surge of Taiwanese identity, Wu notes, one cannot safely predict that popular preferences on unification/independence will remain unaffected by that development. Even if a significant number of Taiwanese identifiers are ‘pragmatic’ enough not to translate their identity into support of de jure independence for fear of China’s military threat, their anger may well explode when ignited by unexpected events or stirred up by vote-seeking politicians. Given that politicians are less likely to moderate their positions when distribution of popular preferences has tilted toward independence, Wu points to international constraints

20 Wu is careful to add a caveat that from the ‘path dependent’ perceptive some events are contingent in nature (such as Chen Shui-bian’s re-election in 2004) but may be deterministic and irreversible in titling Taiwan toward permanent separation from mainland China. Ibid., p. 619, n. 11.
(US pressure and China’s military threat) as the final brake on their action. Although pro-independence attitude has been nurtured by rising Taiwanese nationalism, it also has been checked by the military threat from across the Taiwan Strait. For him, the problem with the PRC deterrence is that the military threat itself fuels Taiwanese nationalism and makes it more difficult to manage the volatile security situation in the Taiwan Strait during electoral campaign seasons. Wu thus ends up reminding the PRC leadership of avoiding overreaction because ‘all this [entire move toward independence] is but electoral rhetoric’.  

In short, regardless of one’s stance on Taiwan independence as a political pursuit, Chinese threats and Taiwanese consciousness go hand-in-hand for most people within and outside Taiwan. In his thought-provoking *Democracy (Made in Taiwan)*, Shih Chih-yu has challenged the aforementioned democratisation-into-independence (or ‘pulling force’) argument by demonstrating that the rise of un-Chinese consciousness took place before democratisation and could not have become possible without Taiwan being discursively treated as an independent reference point in the first place.  

This thesis disputes the taken-for-granted reaction-against-China threat (or ‘pushing force’) argument in explaining the rise of Taiwanese nationalism. Rather than seeing China as a threat to the emerging Taiwanese state’s identity or existence, it suggests that the former has been the latter’s condition of possibility; to be precise, the need for an external threat affects the ways in which China is viewed as a menace in the eyes of the Taiwanese.

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21 Ibid., p. 625. Declaring independence and severing Taiwan permanently from the Chinese mainland both would require the approval of a popular referendum.
2.3 An Alternative Interpretation

The meaning of the ROC-PRC confrontation has dramatically changed in the light of Taiwan’s new identity in the post-Cold War era. While the defeated KMT government under Chiang Kai-shek relied on an identity strategy to establish and maintain its ruling legitimacy in Taiwan in which the discursive construction of evil ‘Communist bandit/Communist spy’ (gongfei/feidie) played an important role in demonstrating the moral superiority of the KMT over the CCP as the ‘true’ representative of the Chinese state and culture, the new KMT under Lee Teng-hui’s leadership (1988-2000) and the subsequent DPP administration of Chen Shui-bian (2000-2008) have needed a different, antagonistic China to consolidate the indigenous identity. The threat at present is considered to have come from China and not from the CCP, and the task accordingly is to explain why China, now an external actor, is the problem rather than the CCP which used to be an internal enemy. The prevalent answer in Taiwanese security discourse is that China is not democratic (hence refusing to recognise the ROC on Taiwan) and has been using economic enticements and military intimidations so as to annex Taiwan (see Chapter 3).

However, since not a few in Taiwan still consider themselves as Chinese, the identity of a sovereign Taiwan requires conscious construction. Taipei needs to distance Taiwan from China, lest its nascent indigenous identity be obscured should Taiwan and China develop a close relationship. The indigenous regime thus constantly constructs reference points that can bring into the difference between the

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25 While the percentage of exclusive Chinese identity dropped from 33.4% in 1993 to 7.9% in 2002, about 33.8% of respondents considered themselves both Chinese and Taiwanese in 1993 and the percentage increased to more than 50% toward the end of the 1990s. The poll data on the trend of changes in national identity are from Yun-han Chu, ‘Taiwan’s National Identity Politics and the Prospect of Cross-Strait Relations’, Asian Survey, 44:4 (2004), pp. 484-512.
two. Looking for signs of anti-democratic incidents or human rights violations in China is often employed by Taipei to establish such a difference, and the Thousand Island Lake Incident can be understood as one of the examples. As mentioned earlier, a key message that was communicated in the mainstream narrative of the incident is that Taiwan is civilised, whereas China is not. But this wedge of difference could not have been sustained if the Taiwan government did not play down the fact that not only twenty four Taiwanese tourists but also eight Chinese guides and staff were murdered on Thousand Island Lake. Without Taipei’s total neglect of these eight Chinese victims, the perception of a Chinese violation of Taiwanese human rights would not have been so pervasive. Differentiating Chinese from Taiwanese human rights in practice reproduced the much needed sense of difference between China and Taiwan, which in turn helped in consolidating Taiwan’s distinct, un-Chinese identity.

This is not to say that the popular image of China in Taiwan as an authoritarian system rife with corruption and crime completely originates from Taipei’s discursive construction (the same can be said between the representation of the ‘Communist bandit/Communist spy’ and the old KMT’s propaganda). Indeed, the prevailing ‘China threat as a cause of Taiwanese nationalism’ argument and my alternative interpretation may coexist in the process of the rise of Taiwanese national consciousness, that is, these two ‘stories’ are not necessarily mutually exclusive. What I want to emphasis is that evidence to the contrary of the mainstream perspective has rarely received attention in Taiwan, for speaking positively about China is most likely to invite a pro-China (meaning anti-Taiwan) label. As a result, the overall environment in Taiwan has not been conducive to solid scholarly comparison between

26 This point has been made in Shih, Democracy (Made in Taiwan), pp. 24-28. Shih notes that this specific search for the ‘oppressor’ also explains Taipei’s lukewarm reaction to the death of two Taiwanese in an earlier air crash in Russia and another six Taiwanese by a criminal group involving the policemen in Thailand.
Taiwan and China regarding their political processes or the type and level of corruption and crime, which has ironically obscured the actual scope of the differences between the two.\(^{27}\) The politics of difference in Taiwan, then, relies on defining someone outside as an antagonist rather than improving one’s own self-understanding. The task accordingly is to draw boundaries but not to articulate what is within the boundaries.

This thesis sees Taipei’s post-Cold War foreign and security policy as such a boundary-creating practice in the formation of Taiwanese national identity. Furthermore, the thesis is wary of the political consequences of adopting practices of this kind not only in terms of the ethical problems they may produce (as shown in the Thousand Island Lake Incident, Taipei’s boundary-drawing exercise opens a new problem of discrimination for it compels local human rights policies to attend only to human rights of the in-group and conceive those of the out-group as inconsequential), but also on the premise that policies formulated outside of some principle of justice tend to be ineffective, short-lived, and ultimately self-defeating. This analysis is thus different from the oft-seen criticisms of Taiwan’s foreign policy since the early 2000s, which invariably describe the Chen administration’s pro-independence approach as destabilising.\(^{28}\) Without engaging the common assumption that China’s oppressions and threats have caused the rise of Taiwanese nationalism, however, these commentaries are vulnerable to charges of being employing a double standard, for they beg a simple question: ‘Stability for whom/for what?’ As far as the formation of

\(^{27}\) Ibid.

Taiwanese identity is concerned, the thesis does not just seek to illustrate how
different relations of power have given rise to the current notion of ‘Taiwanese’ (in
this case, Taiwan’s foreign policy that works to constitute the identity in whose name
it operates); it goes further to help Taiwanese and outside observers alike to make
judgements about those different structures of identity and institutions in question
through a restoration of the connection between ourselves and our ethics.

Having introduced the main questions, concepts, and puzzle, this chapter sketches an overview of Taiwan’s threat perceptions with respect to the PRC in the post-Cold War era. It does this through an examination of the relevant literature by think tanks and government reports on Taiwan’s foreign and security policy. It identifies three sets of images of China—as an economic, political, and military threat to Taiwan’s security. (These will be analysed in greater details in Part II.) The purpose of this short chapter is therefore to outline what modes of interpretation have been employed in Taiwanese security discourse in relation to China.

3.1 The Developing Security Discourse

The academic literature about Taiwan’s foreign and security policy began to grow at an increased pace after the 1995-1996 Strait crisis. In an important book edited by Zhao Suisheng examining the major causes that led to the crisis and the implications of the subsequent changing relationships between the United States, China, and Taiwan, an extensive section of chapters was devoted to studying the impacts of Taiwan’s domestic political and economic transitions on its mainland policy. ¹ Together with other sections which provided background analysis on the cross-Strait conflict, discussions about the PRC’s Taiwan policy making, and lessons for the US government to avoid future crises, Zhao’s book in effect serves as a template for many later published volumes on how to try to manage the volatile security situation in the

Taiwan Strait not just under the framework of great-power relations but from a triangular perspective.2

Publications specifically concentrating on Taiwan’s security and external relations have also increased, following the island’s historical transfer of political power from the KMT to the DPP in 2000.3 Toward the end of the second Chen administration, insightful inquiries into the ‘black-box’ of the making of Taiwanese security policy, including how the current policy-making process is different from that of the pre-2000 period, have been proffered.4 Dennis Hickey, for example, employs four ‘levels of analysis’—the international system, governmental structure, societal forces and individual factors—to examine Taiwan’s foreign policy behaviour. He argues that while democratisation enables public opinion, political parties, interest groups, think tanks and the media to play a certain role in Taiwan’s foreign policy making, their influence is often exaggerated. Likewise, the personality and predominant leadership style of Taiwan’s four presidents—with the exception of Yen Chia-kan, who served largely as an ‘acting president’ between Chiang Kai-shek and Chiang Ching-kuo—often leaves an impression that the presidents have been the most influential actor that drives the island’s foreign policy since 1949. However, as ‘a shrimp between whales’, it is the characteristics of global politics and the conduct of

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other major powers, the US and the PRC in particular, that have ultimately constrained the nature and scope of Taiwan’s foreign relations.\(^5\)

Careful though as Hickey is to buttress his central claim (namely, ‘the system level of analysis best explains Taipei’s foreign policy conduct’) by suggesting that every level of analysis carries some explanatory value,\(^6\) he does not present concrete evidence to illustrate the ways in which the ‘systemic imperatives’ have been filtered through the Taiwan government’s strategic calculus and prompt it to act in certain ways that it otherwise would not have done. Moreover, in Hickey’s study (and other scholarly literature as well) there has been no comprehensive effort to understand how China’s various threat images have been formed in post-Cold War Taiwan, their underlying logic, and practical effects.\(^7\)

In his review of the practice and study of Taiwan’s foreign policy, Lee Wei-chin describes democracy, economy, and (military) security as the three major areas of Taipei’s endeavours. He indicates that Taiwan has used its democratic transition and consolidation as a basis to garner international recognition of its state sovereignty. Taipei has also converted its economic power into diplomatic tools so as to cultivate its relations with allies and friends. Finally, to cope with the military threats from China, special emphasis has been given to the development of Taiwan’s security ties with the United States.\(^8\) Despite the descriptive nature of the article and its lack of substantial analysis as to why Taiwan’s foreign policy conduct has focused on those areas in relation to China, Lee’s work provides a useful touchstone by which to organise some

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\(^5\) Hickey, ibid., chap. 3.

\(^6\) Ibid., p. 7. Given that the concept of levels of analysis has been introduced into political science more than four decades, it is disappointing to see this Taiwan expert still asking which level has stronger explanatory power, but not how to study their interaction. Peter Gourevitch, ‘Domestic Politics and International Relations’, in Walter Carlsnaes, Thomas Risse, and Beth A. Simmons (eds.), *Handbook of International Relations* (London: Sage, 2002), pp. 309-28.

\(^7\) Michael S. Chase, *Taiwan’s Security Policy: External Threats and Domestic Politics* (Boulder: Lynne Rienner, 2008) only deals with perceived military threats.

of the assumptions undergirding Taipei’s policy.

Consider the following statement published in a brochure by the Mainland Affairs Council (MAC), which is intended to raise the risk awareness of ordinary Taiwanese planning to travel, work, or live on the mainland:9

First, to recognise the threat that China’s rise poses to cross-Strait relations; second, to promote the awareness that Taiwan must participate in the international democratic community; third, to enhance self-defence capability against potential PRC aggression; fourth, to implement necessary management in cross-Strait exchanges; fifth, to participate in regional security dialogue and strategic co-operation; and six, to work with the international community to facilitate China’s gradual democratisation.

It is not difficult to observe three themes underlying the MAC’s exhortation as Lee has outlined. For one thing, if economic aid, investments, and contributions can be employed to facilitate Taiwan’s diplomatic needs,10 a rising China can cash in on its newly gained economic clout to upset Taipei’s efforts as well. Hence Lee writes, ‘China’s seemingly unstoppable market growth and the resulting magnetic pull on foreign investment now stands in sharp contrast to Taiwan’s relative decline in economic competitiveness. Taiwan may thus increasingly find playing its “trade” card to be less effective of a foreign policy strategy’.11 From this perspective, Taiwan should try to avoid having close economic interactions with the mainland, a condition that may contribute to the increase of the PRC’s capabilities; as Joanne Gowa and Edward Mansfield assert, ‘trade enhances the potential military power of any country that engages in it’.12 Another way to counter this unfavourable trend is to seek Taiwan’s participation in existing multilateral security mechanisms as well as

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9 Chih-chia Hsu et al., Zhiji zhibi: Nin suo hulue de dalu fengxian (To know one’s self and know one’s opponent: The mainland risks that you have overlooked) (Taipei: Mainland Affairs Council, 2005), pp. 194-97.
10 For a detailed case study on Taiwan’s economic statecraft or jingmao waijiao (economic and trade diplomacy) in Southeast Asia, see Chen, Foreign Policy of the New Taiwan, chap. 3.
establishing strategic partnerships with countries which are concerned with China’s ascendance.

Second, according to the MAC, ‘Taiwan is not merely in the front line of defence against China’s reckless opportunism, most importantly, its democratic development can provide the best contrast and example in the process of China’s modernisation’; in addition to consolidating its own democracy, Taiwan should continue to push for the ‘Asia-Pacific democratic alliance’ with mature and developing democracies so as to transform undemocratic China.\(^\text{13}\) Taiwan’s constant use of the ‘democracy card’, which proclaims that a democratic Taiwan deserves international support and recognition and highlights China’s hegemonic behaviours as dispositional rather than situational, has continued to receive positive evaluations in the mainstream literature. For instance, Lee comments that the major challenge for Taiwan’s foreign policy in this regard is not that its democratic statecraft would not work, but how to employ it skilfully ‘in order to make it possible for the international community and the United States… to adopt a liberal/normative framework to defend Taiwan as part of their realist/instrumental interests’.\(^\text{14}\)

Third, Taipei has been increasingly concerned with the PLA’s growing military capabilities and the likelihood of the cross-Strait military conflict. As the MAC warns, ‘war in the Taiwan Strait is most likely to break out when China believes that its military power has been sufficient to initiate war and rapidly occupy Taiwan before the arrival of international intervening forces……The greatest guarantee of cross-Strait peace is to maintain cross-Strait military balance so as to deter China’s intention to use force against Taiwan’.\(^\text{15}\)

To be sure, not all of the current assessments concur on the nature of the danger

\(^\text{13}\) Hsu, Zhiji zhibi, pp. 195, 197.


\(^\text{15}\) Hsu, Zhiji zhibi, p. 196.
emanating from Beijing to Taiwan’s national security. Indeed, some of them are attentive to concepts such as ‘comprehensive security’ and ‘non-traditional security’ (including economic, societal, environmental, information, and homeland security).16

Equally, those which are identified as security challenges are not always seen as being reducible to PRC behaviour in the existing literature and government reports. For the most part, however, there is a general inclination to view China as the primary and ultimate threat to various aspects of Taiwan’s security, as illustrated in the National Security Council (NSC)’s 2006 National Security Report:

In general, the threats and challenges that contemporary Taiwan is facing regarding national security come still mainly from the other side [of the Taiwan Strait]; challenges from globalisation and internal changes are secondary…… With respect to non-traditional security… some problems are from within the country; some are from without, influenced by international interactions under globalisation, or even by China’s act of sabotage.17

The remaining part of this chapter will outline the three images of China as an economic, political and military threat and Taiwanese responses in mainstream security discourse: first, given China’s aggressive economic growth and its magnetic pull on Taiwanese investment, close economic interaction (let alone integration) with the mainland will only hurt Taiwan’s competitiveness and well-being; second, democracy is a fundamental difference that distinguishes the political systems on the two sides of the Taiwan Strait, which explains authoritarian China’s propensity to oppress Taiwan but at the same time offers a crucial asset for Taiwan to extract

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international recognition and consolidate national identity; and, third, China’s improving military capabilities in terms of the modernisation of the PLA, if unmatched by Taiwan’s corresponding efforts in national defence, will make Taiwan more vulnerable to China’s coercion.

3.2 China as an Economic Threat

Against the backdrop of the rise of China as a global power, one is often reminded that Beijing has intensified its efforts to pursue the ‘one country, two systems’ formula through isolating Taipei diplomatically, intimidating Taiwan militarily, and absorbing the island economically.\(^\text{18}\) Taiwan’s Ministry of National Defence (MND)’s 2006 *National Defence Report* distinguishes itself from other countries’ official assessments of the security situation in the Taiwan Strait in that its analysis goes beyond a comparison of military powers on the two sides and the likelihood of international intervention in the worst-case scenario. Apart from outlining the PRC’s military strategy, defence budget, development of weapons systems, military readiness and exercises, military deployments and possible means against Taiwan, the MND report indicates that Beijing’s Taiwan policy has been a combination of political oppression, economic absorption, military intimidation, diplomatic isolation, and social propaganda (*tongzhan*).\(^\text{19}\)

The passage of the ‘Anti-Secession Law’ (*fan fenlie kuojia fa*) by the National People’s Congress in March 2005 is seen as a legal mandate for the PLA to resort to ‘non-peaceful means and other necessary measures to defend national sovereignty and

\(^{18}\) Kun-yi Wang and Yu-ming Tsai, *Taiwan anquan de gongxinshi (The keystone of Taiwan security)* (Taipei: Hwa-Yang, 2006), chap.7.

territorial integrity (Article 8). The law is also viewed as an instrument to deter adversaries prior to combat: In case of a cross-Strait military confrontation, the PRC could launch an information campaign to portray third-party intervention as illegitimate under international law. Citing the PLA Academy of Military Science text, the Science of Military Strategy, the US Department of Defense recently has been concerned with the increased role of economic, financial, information, legal, and psychological instruments in Chinese war planning.

According to Chen Ming-tong (former Chairman of the MAC)’s interpretation, China’s use of the English term ‘secession’ is not a coincidence. It is meant to show the reason why Beijing refuses to renounce the use of force against Taiwan is to ‘punish’ Taipei’s acts of ‘separation and treason’—just like the Union government did in the American Civil War—and thus Washington should not have any double standard. Lin Cheng-yi (former National Security Advisor) also sees the ‘Anti-Secession Law’ as part of the ‘threefold warfare’ (public opinion warfare, psychological warfare, and legal warfare) outlined in the revised ‘Chinese People’s Liberation Army Political Work Statutes’, which involves the Chinese military, party propaganda department, foreign affairs ministry, and various Taiwan affairs offices in creating favourable conditions for political, military, and diplomatic struggles against Taiwan. In short, the 2006 National Security Report warns that Beijing attempts to eliminate the sovereign status of the ROC through the carrot (e.g., cultural exchange and economic enticement) and the stick (e.g., war scare and diplomatic isolation) in the hope of dividing and weakening Taiwan’s popular will of resistance.

20 Ibid., p. 68.
22 Chen, Minzhuhua Taiwan xin guojia anquan guan, pp. 120-1.
‘threefold warfare’ is perceived as ‘a war without gunpowder’, ‘the latest and most focused type of threat to Taiwan’s national security’.  

In general, Taiwanese officials and civilian policy analysts are anxious about China’s increasing national power and the narrowing of Taiwan’s policy choices. They are especially sensitive to Taiwan being excluded from existing regional security dialogues (e.g., ASEAN Regional Forum, ARF) and from the formation of regional economic blocs such as ‘ASEAN + 1’ (ASEAN with China, Japan, or South Korea respectively) or ‘ASEAN + 3’ (ASEAN with China, Japan, and South Korea collectively) due to Beijing’s opposition. They are also worried about the relative improvement of the US-PRC relationship in a post-9/11 international environment is taking place at the expense of the US-Taiwan relations.

The Foundation on International and Cross-Strait Studies’ Quadrennial National Security Estimate Report, for instance, exhibits such concern about Taiwan being marginalised at all fronts (diplomacy, national defence, cross-Strait relations, and economy). The report specifically urges on the Taipei government the importance of corresponding balancing acts that seek to slow or reverse the trend of marginalisation; the top priority is to improve the relationship with the United States by supporting its Asia-Pacific security strategy, while suggesting Washington to lead the construction of a regional security framework for the Taiwan Strait and/or pushing for a virtual ‘quasi-NATO’ military alliance with the United States, Japan, the

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25 Ibid., p. 80.
26 See, for example, Yi Yuan, Chen-sheng Yan and Hwei-luan Poong (eds.), Zhongkuo jueqi zhi zai xingsi (The rise of China revisited: perception and reality) (Taipei: National Chengchi University, 2004). Such tendency has been obvious when the term ‘great power diplomacy’ (daguo waijiao) gained prominence in the study and practice of Chinese foreign policy in the late 1990s. On the discursive relationship between ‘great power diplomacy’ and the notion of ‘peaceful rise’ (heping jueqi) in the Chinese literature, see Chih-yu Shih, ‘Breeding a Reluctant Dragon: Can China Rise into Partnership and Away from Antagonism?’ Review of International Studies, 31:4 (2005), pp. 755-74.
28 Quadrennial National Security Estimate Report is a useful overview which reflects the mainstream consensus among leading Taiwanese civilian and official policy analysts concerning Taiwan’s national defence and foreign policy issues in the mid-2000s.
Philippines, and Australia to hedge against the PRC.\textsuperscript{29} In order to counter the magnetic effects of economic absorption (\textit{cixi}), that is, to reduce Taiwan’s growing trade dependency on mainland China, it is important to undertake the following measures: first, to diversify the destinations of outbound investment and reach the free trade agreements (FTA) with various countries other than the PRC; second, to diversify exporting countries and importing sources; and third, to restrict mainland-bound investment by high-tech industries or those related to national defence technology.\textsuperscript{30}

As will be seen in Chapter 4, Taiwan’s economic policy toward mainland China has been, and is still, highly contested within the academic, government, and business circles. A case in point is the protracted debates over the ‘three direct links’ (\textit{santong}) in the past decade or so. \textit{Santong} refers to communication, trade, and transportation across the Strait, which had been prohibited since 1949. Liberalisation in telecommunications solved the problem of the first direct link. The Taiwan government established an overseas transshipment centre in Kaohsiung and made special arrangements with seaports of neighbouring countries for a technical detour (hence cross-Strait navigation can be defined as non-domestic shipping) in the second half of the 1990s. Regular direct air links were not established throughout the Chen Shui-bian presidency. Even though presidential candidate Frank Hsieh of the DPP voiced support for the opening of direct transport links with China after the DPP’s devastating defeat in the legislative election in January 2008, his emphasis was that an opening up to China must not come at the cost of the island’s security. Although the \textit{Quadrennial National Security Estimate Report} recommended that, if Taipei wishes to develop the island into a ‘global operation centre’, its ban on the cross-Strait direct

\textsuperscript{29} \textit{Quadrennial National Security Estimate Report}, pp. 35, 53, 70.
\textsuperscript{30} Ibid, pp. 92-3.
transportation should be lifted so as to facilitate freer flow of personnel, others contended that liberalisation without taking into account the problem of externalities and the danger of industrial ‘hollowing out’ will ultimately render Taiwan more vulnerable to China’s pressure and economic blockade. For them, economic integration with the mainland market is not different from national suicide. In short, rather than seeing China’s fast-growing economy as providing some opportunities for Taiwan, the prevailing view until 2008 held that the opposite is true and called for more effective measures to contain Chinese economic threats.

3.3 China as a Political Threat

Taipei’s appeals to its allies and friends for a balancing coalition do not merely lie in the geopolitical importance of the island or pure material interests; rather, Taiwan’s experience regarding democratic transition and consolidation is often seen as a sine qua non for contemporary Taiwan’s participation in the international community that deserves greater international support. This is crucial, considering the fact that lacking widely recognised de jure state status has prevented Taiwan from participating in any treaty-based defensive alliances (those states with diplomatic ties with the ROC are far from the top of the list of significant military powers). Unlike most ‘normal’ states, Taiwan lacks the full range of political instruments with which to influence international relations to its advantage, but its oft-applauded transformation into a vibrant democracy since the late 1980s is believed to provide Taipei a window of

opportunity for challenging the international isolation imposed by Beijing.\textsuperscript{32}

According to the \textit{2006 National Security Report}, Taiwan’s overall diplomatic strategy has three major aims: first, to defend democratic Taiwan—a member of the international democratic community—free from China’s threats and depredations; second, to join forces with the international democratic community to help democristise non-democracies including China; and third, to establish the ‘interactive framework for cross-Strait peace and stability’ for the normalisation of the Taiwan-PRC relationship.\textsuperscript{33} The underlying assumption of this strategy is that China’s democratisation is not only of Taiwan’s own interest, but also contributive to the stability of cross-Strait relations. Once the international community resumes its interest in promoting the PRC’s ‘peaceful transformation’ (\textit{heping yanbian}), the existence of a democratic Taiwan as a contrast with mainland China, then, would be strategically valuable; meanwhile, Taipei could make use of this leverage demanding for ‘fair treatment’.\textsuperscript{34} In fact, it has been argued that US-led liberal democracies would be remiss in their commitment and responsibilities for ‘democratic enlargement’ by not recognising Taiwan.\textsuperscript{35}

As a settlers’ society situated at the centre of competitive East Asian international relations, how Taiwan defines its identity in relation to China has been described as a security concern.\textsuperscript{36} Because the transition of Taiwan residents’ self-identification (i.e., those who identify themselves as Taiwanese only are increasingly outnumbering those

\textsuperscript{34} Ibid., pp. 140-42; \textit{Quadrennial National Security Estimate Report}, p. 70.
who identify themselves as Chinese only or both Taiwanese and Chinese) has been taking place in Taiwan’s post-authoritarian era, the nexus of democratisation and increased indigenisation are often viewed as mutually reinforcing phenomena (the ‘pulling force’ argument discussed in Chapter 2).

Lin Chia-lung argues that the Taiwanese people’s national identity and position on the statehood issue have changed during the course of democratisation; for most people in Taiwan, Taiwanese identity is not merely an ethnic identity, but also a citizen-based political identity. Moreover, a significant portion of the population possesses multiple identities, claiming to be politically Taiwanese and culturally Chinese.37 Even for those who accept the claim that Taiwan is a part of China, they nevertheless think that unification should occur only after communism has been abandoned on the mainland.38 The thread binding these conceptualisations is the rejection of the CCP and its call for unification under the PRC sovereignty in any form (namely, ‘one country, X systems’). As the Taiwanese public’s belief in the legitimacy of their political system grows, so will the number of people who wish to distinguish themselves from Beijing’s authoritarianism. To sum up, China is viewed as a political threat because it is undemocratic; Taiwan’s democracy functions to both deter and enlighten China while providing a shield against China’s ‘threelfold warfare’. However, opinions differ over the impact of identity change in the wake of democratisation on Taiwan’s security. Some believe that the rise of Taiwanese national consciousness is destabilising cross-Strait relations, whereas others hold that

38 Tuan-yao Cheng, ‘China’s Challenge and Taiwan’s Reality’, in Zhongkuo jueqi zhi zai xingsi, at pp. 19-23. Mainstream perspectives on the salience of national identity issues in Taiwan’s political development include Alan Wachman, Taiwan: National Identity and Democratization (Armonk: M.E. Sharpe, 1994); and Corcuff, Memoirs for the Future.
the opposite is true since it can make civilian-based defence (CBD) more effective.\textsuperscript{39}

Either case, it is necessary to examine the conditions under which the PRC would be more likely to initiate the military conflict against Taiwan.

3.4 China as a Military Threat

In 1999, Defence Minister Tang Fei had already anticipated that, if the PLA’s military modernisation continued, ‘the military threat to Taiwan is highly likely to be beyond control after 2005’.\textsuperscript{40} Taiwan’s semi-official and official threat assessments in recent years also indicate that the Taipei government clearly recognises that Chinese military capabilities are improving, which will ultimately give Beijing more credible options to threaten, coerce or attack the island. The \textit{Quadrennial National Security Estimate Report}, for instance, anticipates that ‘the cross-Strait military balance will be gradually tilting in Beijing’s favour in the coming four years [2004-2008], which is prone to military conflict’.\textsuperscript{41} As a result,

It is not unlikely for unexpected incidents or accidents to occur, such as hostile Chinese aircrafts and vessels passing through the median line of the Taiwan Strait or the east coast of Taiwan, unusual massive moves of the PRC troops and live fire exercises in China’s southeast coast, misfiring between the first line troops and the PLA, China’s use of \textit{chiaoxianzhan} [‘unlimited warfare’] or information warfare option to attack our C4ISR [command, control, communication, computer, intelligence, surveillance, reconnaissance], and our sea lanes being disrupted.\textsuperscript{42}

The lack of cross-Strait confidence-building measures (CBMs) only aggravates


\textsuperscript{41} \textit{Quadrennial National Security Estimate Report}, p. 50.

\textsuperscript{42} Ibid.
Taipei’s concern that any accidental conflicts between the two militaries would be more likely to escalate due to misunderstanding.

If the military balance across the Strait continues to shift in China’s favour, analysts warn that it will affect Beijing’s decision to use force as well as potential courses of action against Taiwan, which has been looking for opportunities to fight a ‘quick war with quick results’ (su zhan su jue). As former Deputy Defence Minister Lin Chong-pin puts it, the role of the military balance will become more prominent in 2010-2015, when the PLA will be likely to achieve ‘supremacy in both qualitative and quantitative comparisons of forces that it may feel confident to move’. The *2006 National Defence Report* lists three potential scenarios for PLA military action: ‘intimidation warfare’, ‘paralysis warfare’, and ‘invasion warfare’. According to its definition, intimidation warfare refers to military pressure or show of force that falls short of full-scale war, such as large-scale military exercises, computer network attacks, electronic attacks, psychological operations, and provocative air and naval activity in the Taiwan Strait. At the highest of intimidation spectrum is a partial or full blockade of Taiwan. The 1995-1996 Strait crisis thus falls into this category. Paralysis warfare involves surprise attacks, cyber warfare, missile strikes, long-range precision strikes, special operations and sabotage. It aims to achieve a quick, decisive victory by rapidly paralysing Taiwan’s command and control system and political and military nerve centres, and disintegrating Taiwan’s organised military operations. Finally, at the highest end of the conflict spectrum is invasion warfare, which would involve PLA occupation of the offshore islands, the Pescadores, or the main island of Taiwan.

The *2006 National Security Report* goes further to assert that the PLA already

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has the capacity to conduct various types of coercive military operations that involve elements of both ‘paralysis warfare’ and ‘invasion warfare’. According to the report,

In the event of a future Chinese invasion of Taiwan, it is highly likely that China will launch missiles to carry out precision strikes, combine its special operations forces with personnel it has in place in Taiwan, and coordinate airborne, heliborne, and amphibious assaults to conduct simultaneous multi-point, multi-level attacks on Taiwan’s core political, economic, and other centres. This new type of warfare…is designed to allow the PLA to mount attacks from within and outside Taiwan, paralyse and control the core of Taiwan’s government and economy, and quickly destroy the government’s decision-making mechanisms and capabilities to respond…so as to achieve decisive results on the battlefield.45

Although both the MND and NSC reports agree that for the time being the PLA does not yet possess the capability to launch a large-scale invasion of Taiwan, they seem to differ on the near-term likelihood of the other options. The MND suggests that the intimidation warfare scenario is currently the most likely threat to Taiwan and will remain so until 2008; however, a combination of intimidation, paralysis and invasion warfare will become more serious and probable threat to Taiwan’s security after 2008-2010, should the cross-Strait military balance continues to deteriorate. By contrast, the NSC’s assessment appears to be more alarming because it believes that the PLA has transformed into a potent fighting force capable of taking the offshore islands of Quemoy and Matsu as well as launching a decapitation strike against Taiwan.46

Interestingly, some civilian analysts paint a comparatively optimistic picture of Taiwan’s position in relation to the prospect of PRC military coercion. They argue that the military balance does not in and of itself make Beijing overly advantageous vis-à-vis Taipei and thus the PLA’s capabilities to ‘fight and win a local war under

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high-technology conditions’ should not be exaggerated.\textsuperscript{47} Technology may change the forms of warfare, but it does not necessarily determine a war’s outcome. Others posit that China is still unable to suppress Taiwan simply by means of missile strikes, amphibious invasion, or blockade—possibly China could not even gain the air superiority in the first instance.\textsuperscript{48} They nevertheless urge on closer military ties between the United States, Japan, and Taiwan. This seeming contradiction is understandable, for they need to de-emphasise China’s military advantage so that the course of building and maintaining an independent Taiwan outside China remains viable, while calling for a virtual alliance affirms the existence of the Chinese military threat.

3.5 Conclusion

This chapter has provided a brief overview of prevailing perceptions of the China threat in Taiwanese security discourse. Contemporary threat images of China in Taiwan are frequently associated with China’s aggressive economic growth that has caused Taiwan’s economic ills, its authoritarianism that is detrimental to democratic consolidation, and the rapid modernisation of the PLA that may increase the likelihood of a Chinese use of force. While pundits and policy makers in Euro-America and Japan have yet to decide how to understand a rising China,\textsuperscript{49} this chapter finds that relevant discussions in Taiwan tend to treat the China threat as a

\textsuperscript{47} Holmes Liao, \textit{Taiwan zou de anquan lu} (Taiwan’s way to security) (Taipei: Taiwan Society North, 2004).

\textsuperscript{48} Yuzin Chiautong Ng (ed.), \textit{Taiwan de anquan baozhang yu minzhu} (Taiwan’s security and democracy) (Taipei: Taiwan National Security Institute, 2004).

self-evident ‘fact on the ground’. They are generally inattentive to understanding the ways in which China comes to be seen as an economic, political, and military threat to the security of Taiwan, their underlying assumptions, and potential consequences.

This leads to a preoccupation with gauging China’s power that may be used to threaten Taiwan in terms of the annual growth of its GDP, cross-Strait trade volume, defence budget, weapons acquisitions, and the number of missiles pointed at Taiwan in research pertaining to Taiwan’s security. The problem is that attempts to empirically assess the economic and military vectors of China’s strength bring up not only the evidentiary problems of the size and shape of China (in fact, the Pentagon and Taipei’s MND often cannot concur on the number of Taiwan-targeting missiles under the PLA’s arsenal), but also the conceptual ambiguities as to what ‘status quo power’, ‘revisionist power’, or ‘international community’ mean in international relations.

William Callahan suggests that these ambiguities reflect how understanding the rise of great powers—China in this case—is a practice of interpretation:

It is helpful to... move from a ‘logic of explanation’ to a logic of interpretation that acknowledges the improbability of cataloguing, calculating, and specifying the ‘real cause’ and concerns itself instead with considering the manifest political consequences of adopting one mode of representation over another.

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50 As Su Chi (then KMT legislator) remarks, when compared with economic and cultural issues, the policy difference between the ruling and opposition parties on the fields of diplomacy and military is not significant. Presentation on comparing ‘Blue’ ‘Green’ mainland policy, College of Social Sciences, National Chengchi University, 26 April, 2007. Personal attendance.


He notes that warnings of a China threat from the US, Japan, and India and the vigorous response to ‘China threat theory’ from the PRC show how realists on both sides of the Pacific have colonised the ‘rise of China’ debate, whose texts come mainly from military and security studies sources that rely on the conventional conception of foreign policy defined as an externally oriented practice. While this does not mean that the concern over great-power confrontations does not deserve attention, Callahan argues that the large quantity and sharp quality of ‘China threat theory’ discourse produced in the PRC suggests that its main purpose is not simply to ‘correct’ world opinion, but is also for identity construction at home. To be specific, denouncing the ‘China threat theory’ criticisms as fallacies circulated by ill-intentioned foreigners is an important discursive means by which the PRC asserts the image of China as a peaceful rising power. However, using this logic of estrangement to construct national identity may end up reproducing China as a threatening power abroad since refutations of ‘China threat theory’ generate a new set of foreign threats.53

To understand why ‘China threat theory’ has been so widespread in Taiwan, then, it is important to examine the underlying assumptions on which China’s threat images have been framed and to explore the possible consequences of adopting the predominant modes of interpreting China as an ever-increasing threat. Rather than affirming the conventional formulation that the pre-existing state resorts to foreign and security policy to protect itself against external threats, the following three chapters will show how these policies work to produce boundaries that make China’s threat images in Taiwan possible. This is done through a discussion of the prohibition consequences’. See Milja Kurki, ‘Causes of a Divided Discipline: Rethinking the Concept of Cause in International Relations Theory’, *Review of International Studies, 32*:2 (2006), p. 199. The position adopted in this thesis is that, for an interpretation to appear plausible one cannot do without some causal claims, however implicit.
53 Callahan, ‘How to Understand China’. 
of the three direct links, the preoccupation with the ‘democracy card’, and the emphasis on the military balance.
PART II
MODES OF INTERPRETATION
Chapter 4. The Political Economy of Cross-Strait Security: A Critique

This first chapter in Part II begins the detailed exploration of Taiwanese perceptions of the ‘China threat’ by analysing how and why China has been viewed as an economic threat to Taiwan since the end of the Cold War. It suggests that, in addition to the traditional focus on power and interdependence in the field of political economy, more attention should be paid to the role of Taiwan’s economic policy with respect to the PRC in its national identity formation. To make sense of the puzzle about the concurrence of growing economic exchanges and heightened political tensions between Taiwan and China, the chapter argues that Taipei’s regulations on cross-Strait economic ties until mid-2008 were not about promoting Taiwan’s economic strength or balancing China’s rising power, but about drawing boundaries between the two sides.

Rather than seeing China’s booming economy as providing some opportunities for Taiwan, the Taiwan government has frequently invoked two inter-related assumptions to emphasise the dangers it may entail and to justify continued restrictions on what it considered over-heating cross-Strait trade and investment. First, the stronger China’s economy grows, the more profound Taiwan’s economic ills become because the former is achieved at the expense of the latter’s loss of job and investment opportunities. Second, growing asymmetric economic interdependence across the Strait will increase the likelihood of Beijing’s use of economic leverage to exploit Taiwan’s vulnerability for political gains. The most troubling implication of this is that China may be more inclined to use force to ‘solve’ the Taiwan issue because rising powers tend to be destabilising and war-prone.

The chapter will first describe the patterns of cross-Strait trade and investment to
contextualise the debates on Taiwan’s restrictive economic policy toward the PRC since the Lee Teng-hui presidency. It will then explore the problem of relative gains that underlines Taipei’s rationale of limiting, rather than facilitating, economic exchanges across the Taiwan Strait by concentrating on an offensive realist explanation about great-power wars. Through a close examination of the internal consistency of offensive realism and the political economy literature, the third section of the chapter will offer a critique of Taiwan’s economic policy with respect to the PRC. It concludes that Taipei’s restrictions on cross-Strait economic interactions failed to promote Taiwan’s economic interest as well as explain China’s strategic behaviour under the constraints of the international system, but worked to discipline numerous Taiwanese businessmen and remind them of the difference between China and Taiwan, which is useful for enhancing the identity of a separate Taiwan.

4.1 Cross-Strait Economic Exchanges: Patterns, Puzzles, Predicaments

Much ink has been spilled on the economic and security consequences of burgeoning trade and investment ties between Taiwan and China since Taipei officially lifted the ban on trading with the mainland in 1987.¹ The common puzzle for policy analysts and political scientists is that, on the one hand, the growth of economic ties has thus far failed to yield a ‘spill-over’ effect of political rapprochement across the Taiwan Strait as functionalist perspectives have anticipated;² on the other hand, the


² James Mulvenon, ‘Anticipation is Making Me Wait: The “Inevitability of War” and Deadlines in
intensification of cross-Strait economic interaction has gone hand in hand with deeply entrenched political conflict between the two sides, which is at odds with a general expectation that trade and investment tends to be averted among political rivals. Why does political confrontation persist in cross-Strait relations despite the increasing economic interdependence over the past two decades? And what are its implications for Taiwan’s security?

To consider the above questions, this section will first outline the volume, directional flows, and composition of trade and investment between Taiwan and China. It will then introduce Taipei’s restrictive policies that aimed at shaping multi-dimensional, asymmetric economic interdependence across the Strait and the tensions they generated between the business community and the political leadership since the 1990s. In so doing, the section shows how a series of academic and policy debates as well as disciplinary regulations on cross-Strait economic ties have discursively constituted a threatening China outside of Taiwan.

**General Trends in Cross-Strait Trade and Investment**

Following Taiwan’s lifting of martial law and the subsequent decision to legalise indirect economic interaction with the mainland (mainly via Hong Kong), economic exchanges across the Taiwan Strait have continued to expand ever since. As Table 4.1 shows, the total value of the trade amounted to only US$1.5 billion in 1987 (hereafter, and throughout this chapter, all monetary values are in US dollars); however, it exceeded $41 billion in 2002, a near thirty-fold increase over the course of a fifteen-year period. Exports to China as a portion of Taiwan’s total exports only

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3 The underlying logic is that the poorer one’s enemy is, the less pressure there will be for an arms race (will be discussed later). See Joanne Gowa, *Allies, Adversaries, and International Trade* (Princeton: Princeton University Press, 1994).
accounted for 2.28 percent in 1987; by the end of 2002 the share had gone up to 24.68 percent. During the same period, China’s imports of commodities from Taiwan increased from 2.84 percent to 10.92 percent.\(^4\)

<table>
<thead>
<tr>
<th>Years</th>
<th>Taiwan’s export to China ($Millions)</th>
<th>Taiwan’s import from China ($Millions)</th>
<th>Taiwan’s export to China (% of total export)</th>
<th>Taiwan’s import from China (% of total import)</th>
<th>China’s export to Taiwan (% of total export)</th>
<th>China’s import from Taiwan (% of total import)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>1,227</td>
<td>289</td>
<td>2.28</td>
<td>0.83</td>
<td>0.73</td>
<td>2.84</td>
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<tr>
<td>1988</td>
<td>2,242</td>
<td>479</td>
<td>3.70</td>
<td>0.96</td>
<td>1.01</td>
<td>4.06</td>
</tr>
<tr>
<td>1989</td>
<td>3,332</td>
<td>587</td>
<td>5.03</td>
<td>1.12</td>
<td>1.12</td>
<td>5.63</td>
</tr>
<tr>
<td>1990</td>
<td>4,395</td>
<td>765</td>
<td>6.54</td>
<td>1.40</td>
<td>1.23</td>
<td>8.24</td>
</tr>
<tr>
<td>1991</td>
<td>7,494</td>
<td>1,126</td>
<td>9.84</td>
<td>1.79</td>
<td>1.57</td>
<td>11.75</td>
</tr>
<tr>
<td>1992</td>
<td>10,548</td>
<td>1,119</td>
<td>12.95</td>
<td>1.55</td>
<td>1.32</td>
<td>13.09</td>
</tr>
<tr>
<td>1993</td>
<td>13,993</td>
<td>1,104</td>
<td>16.47</td>
<td>1.43</td>
<td>1.20</td>
<td>13.46</td>
</tr>
<tr>
<td>1994</td>
<td>16,023</td>
<td>1,859</td>
<td>17.22</td>
<td>2.18</td>
<td>1.54</td>
<td>13.85</td>
</tr>
<tr>
<td>1995</td>
<td>19,434</td>
<td>3,091</td>
<td>17.40</td>
<td>2.98</td>
<td>2.08</td>
<td>14.71</td>
</tr>
<tr>
<td>1996</td>
<td>20,727</td>
<td>3,060</td>
<td>17.87</td>
<td>3.02</td>
<td>2.03</td>
<td>14.93</td>
</tr>
<tr>
<td>1997</td>
<td>22,455</td>
<td>3,915</td>
<td>18.39</td>
<td>3.42</td>
<td>2.14</td>
<td>15.77</td>
</tr>
<tr>
<td>1998</td>
<td>19,841</td>
<td>4,111</td>
<td>17.94</td>
<td>3.93</td>
<td>2.24</td>
<td>14.16</td>
</tr>
<tr>
<td>1999</td>
<td>21,313</td>
<td>4,522</td>
<td>17.52</td>
<td>4.09</td>
<td>2.32</td>
<td>12.86</td>
</tr>
<tr>
<td>2000</td>
<td>25,010</td>
<td>6,223</td>
<td>16.86</td>
<td>4.44</td>
<td>2.50</td>
<td>11.11</td>
</tr>
<tr>
<td>2001</td>
<td>21,946</td>
<td>5,902</td>
<td>17.86</td>
<td>5.50</td>
<td>2.22</td>
<td>9.01</td>
</tr>
<tr>
<td>2002</td>
<td>32,231</td>
<td>8,775</td>
<td>24.68</td>
<td>7.80</td>
<td>2.70</td>
<td>10.92</td>
</tr>
</tbody>
</table>

Sources: Investment Commission, Ministry of Economic Affairs (ROC), Statistics on Overseas Chinese & Foreign Investment and Outward Investment, various years.

As a result, Taiwan and the PRC have become increasingly important to each other as trading partners. Indeed, China has surpassed the United States as the most important destination for Taiwan’s exports since 2002. In 2005, Taiwan’s exports to China accounted for 28.36 percent of its total exports, which were almost double those to the United States (14.37 percent).\(^5\) In that same year, Taiwan ranked fifth among China’s trading partners while China ranked third among those of Taiwan.

\(^4\) Rather than presenting the latest available figures, statistic data as showed in this section are meant to help the reader grasp the context in which Taiwan’s economic policy changes and debates taking place in the 1990s and early 2000s. For more recent exposition, see John Q. Tian, Government, Business, and the Politics of Interdependence and Conflict across the Taiwan Strait (New York: Palgrave, 2006); and Charnng Kao and Wen-Thuen Wang, ‘Economic Interaction Between Taiwan and Mainland China and Its Influence on Both Economies’, in Shiping Hua (ed.), Reflections on the Triangular Relations of Beijing-Taipei-Washington since 1995 (New York: Palgrave, 2006), pp. 152-74.

\(^5\) These are estimates produced by the Mainland Affairs Council and presented in Cross-Strait Economic Statistical Monthly, which is available online at www.mac.gov.tw.
Several observations on indirect trade across the Strait can be made.

First, the mainland is a pivotal destination for Taiwanese goods and Taiwan is an important source of the mainland’s imports. Thus, the impressive growth of total trade between the two sides has been due mainly to a rapid increase in exports from Taiwan to China. This predominantly westward movement of goods can be somewhat attributed to restrictions on imports by the Taiwanese side (see later discussions about the issue of ‘three direct links’), but mostly to the lack of competitive products on the mainland or the emergence of a cross-Strait division of labour in production. That machinery and intermediate goods (especially electronics and electric appliances) have been Taiwan’s main exports to China and the increase of semi- or finished labour-intensive Chinese products exported to Taiwan since the past decade are indicative of such a trend.\(^6\)

Second, the PRC has continued to record a large trade deficit with Taiwan. The deficit was about $1 billion in 1987, $16.3 billion in 1995, and $23.5 billion in 2002 (calculations based on Table 4.1). In fact, trade surpluses with China have exceeded Taiwan’s total trade surpluses with other countries since 1992, reaching a record of 236 percent of the island’s total trade surpluses in 2004.\(^7\)

Third, cross-Strait trade is asymmetric in nature. While Taiwan is increasingly becoming dependent on China for exports (as well as imports, albeit in a comparatively slower pace), Taiwan is neither a crucial export market nor a top source of imports for China. According to the Mainland Affairs Council (MAC)’s estimate, cross-Strait trade in 2004 represented approximately eighteen percent of Taiwan’s total trade, but only about five percent of China’s total trade. Because China’s

\(^6\) Detailed items of Taiwan’s major export commodities can be found in *Cross-Strait Economic Statistical Monthly*.

\(^7\) These data include Taiwan’s transit trade balance with China via Hong Kong, estimated by the Mainland Affairs Council and available in *Cross-Strait Economic Statistical Monthly*.
economy is much larger than Taiwan’s, the ratio of bilateral trade to their respective GDPs is also imbalanced. Regarding the degree of dependence across the Strait, therefore, Taiwan is more dependent on mainland China than the mainland is on Taiwan.

It is worth noting that the cross-Strait trade pattern has been driven mostly by Taiwan’s investment in China. The first wave of ‘China fever’ (*Zhongguore*) began in the late 1980s, following sharp Taiwan dollar appreciation and the removal of foreign exchange controls. Many of the industries (predominantly labour-intensive traditional sectors operated by small- and medium-sized enterprises, SMEs) that led Taiwan’s rapid post-war economic development found themselves facing rising labour costs, higher land prices, and difficulties in locating production sites due to pollution problems. As a result of losing their comparative advantage in the world market, these traditional industries began finding their way to China, where land and labour costs are substantially lower than those in Taiwan. Taking place in the early 1990s, the second wave of investment was led by large firms in upstream and midstream production (those in the petrochemical sector in particular), which went to China to supply intermediate goods to downstream SMEs in proximity and to seek further expansion.

Firms in the information technology (IT) sector triggered the third wave beginning in the late 1990s. A devastating earthquake in Taiwan in 1999, together with the political and economic controversies surrounding the suspension (and then resumption) of the construction of the island’s fourth nuclear power plant following the power transition from the KMT to the DPP in 2000, prompted many IT firms to relocate their manufacturing of the lower-end of technology products to China.8

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8 The shift for components assembly can also be viewed as part of a ‘global trend of mature technology sector which saw sales begin to decline and profit margins shrink’, following the burst of the Dotcom bubble in the United States. Quoted from Jane Skanderup, ‘Taiwan’s Cross-Strait
Electronics and electrical appliances thus increasingly outnumbered all other industries in terms of the industry amount of Taiwan’s approved investment, meaning that more and more technology- and capital-intensive industries have invested in China in recent years. Indeed, in 2004 Taiwan supplied about 61.6 percent of the world’s laptop computers, and two-thirds of them were made on the mainland.

Although there is no conclusive figure about how much of Taiwan’s outward investment has been poured into China (because a large percentage of Taiwanese investments are channelled through third countries such as the British Virgin and Cayman islands, they are either unreported or wrongly classified in Taiwan’s official statistics), as of late 2007 common estimates of Taiwan’s cumulative actual investment in China ranged from $100 billion to $150 billion. By the end of 2006, China absorbed 54.54 percent of Taiwan’s total outward direct investment. It is also indicated that Taiwan on a per capita basis has contributed more capital to China than has any other country.

Massive capital flows from Taiwan to China, leading to increased intermediate and capital goods exports from Taiwan to the mainland. This in turn results in more semi- or finished products being exported to Taiwan and/or to major international markets, in particular to the United States, Japan and Europe. According to Tung Chen-yuan (former MAC Vice Chairman)’s analysis, in the mid-1990s around one-third to two-thirds of Taiwan’s export to China were driven by Taiwan-invested enterprises (TIEs). During that period, products made by TIEs accounted for fourteen

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9 This trend is evident in the chronological data presented by the Investment Commission, Ministry of Economic Affairs (ROC).

10 United Morning Post (Singapore), 8 September, 2004. China surpassed Taiwan to becoming the world’s third largest IT producer in 2000, and then Japan to becoming the second in 2002.


to eighteen percent of China’s total exports as well as approximately one-fifth of Chinese exports to the United States. In 2000, out of the mainland’s $25.5 billion worth of IT hardware production seventy percent was generated by foreign firms, and seventy percent of the foreign total was generated by Taiwanese firms; that is to say, TIEs accounted for half of that $25.5 billion. In short, Taiwanese investment activities in the mainland can thus be seen as further expansions of production activities of Taiwan-based parent companies (since Taiwan itself is an export-oriented economy). These investments promote bilateral trade between Taiwan and China, especially that of intra-industry trade, or even establish what Tung termed as an ‘intra-firm division of labour’, moving Taiwanese businessmen’s (henceforth Taishang) labour-intensive manufacturing operations to the mainland to take advantage of lower labour cost while keeping their higher value-added operations in Taiwan, such as collection and analysis of market conditions, new product development, product design and testing, research and development, marketing, and so on.

Taipei Tries to Stem the Tide: ‘Go Slow, Be Patient’ and the Three Links

Believing that deepening economic ties across the Taiwan Strait will allow Beijing to coerce Taiwan into submission to Beijing’s terms of unification under the ‘one country, two systems’ formula, Taipei has attempted to dissuade businesses from

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14 Tian, Government, Business, and the Politics of Interdependence and Conflict across the Taiwan Strait, p. 73.
15 In 2004, for instance, the intra-industry trade index for animal/vegetable fat products, precious metal products, transport equipment, and other miscellaneous products all exceeded forty percent, meaning that Taiwanese mainland-bound investment has accelerated closer economic co-operation across the Strait. See Kao and Wang, ‘Economic Interaction Between Taiwan and Mainland China’, pp. 163-64.
trading with and investing in China. For its part, Beijing has offered special treatment to Taishang in hopes that closer economic ties will promote unification or at least undercut support for what it perceives as separatist cause and forestall Taiwan’s drift towards formal independence. Even in conventional understandings, then, economic policies have some bearing on identity politics.

China’s overall policy is two-fold: one is concerned with the protection of Taiwanese investment; the other pertains to preferential incentives. Protection of Taiwan’s investment can be traced back to Marshall Ye Jianying’s Nine Points in 1981, then the PRC State Council’s twenty-two articles in 1988 under the title ‘Measures to Encourage Investment by Taiwanese Compatriots’, which guaranteed Taiwanese investors legal rights over property (including assurance against political risks) and offered them more favourable provisions than those for other foreign investors. These policies later became part of the ‘Law on the Protection of Investments by Taiwanese Compatriots’ enacted by the National People’s Congress in 1994, and the Implementation Regulations for this law issued by the State Council in 1999. With respect to incentives, tax concessions (three years of corporate tax exemption followed by two years of fifty percent reduction) and land provisions (via construction of industrial parks such as the special economic zones and economic development zones) are main components. Under pressures for job performance, local officials have engaged in fierce competition to lure Taiwanese investors with generous, sector- or firm-specific packages.

Understandably, the PRC’s induction of Taiwanese capital is not entirely

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economically motivated. Chinese leadership has openly reiterated that economic exchanges with Taiwan are intended to promote unification. This strategy was made crystal clear as early as the 1979 ‘Temporary Regulations Regarding Opening Trade with Taiwan’, which stipulated that ‘Trade with Taiwan is a special form of trade in the transitional period before Taiwan returns to the motherland… to create conditions for unification of the motherland’. As President Yang Shangkun’s put it in December 1990, cross-Strait economic interaction must be at the service of politics (‘yi jingji cu zhengzhi’), and the private sector should be used to compel Taiwanese officials to yield to Beijing’s demand (‘yi min bi guan’).

In response to Beijing’s strategy, Taiwan under both the Lee Teng-hui and Chen Shui-bian administrations sought to restrict and control the pace of cross-Strait economic interactions and continued to prohibit the so-called three links (referring to direct communication, trade, and transportation) with the mainland. As will be seen below, for Taipei unfettered flow of trade and investment relations with China will create unwanted economic dependence, leaving the island vulnerable to Beijing’s unification ploy. How to strike a balance between cross-Strait economic exchanges and protection of Taiwan’s political autonomy and security has thus been a constant theme in Taiwan’s policy and academic debates about the implications of economic co-operation with the PRC since the mid-1990s.

In the early stages of cross-Strait economic exchanges, withholding economic ties with the mainland was meant to be leverage to extract political concessions from Beijing.\textsuperscript{21} Capitalising the aftermath of the 1989 Tiananmen incident and the collapse of East European communist regimes, the KMT government permitted socio-cultural exchanges (such as kinship visits) but held off economic interaction so as to induce the besieged CCP government to accept Taiwan’s three preconditions for political negotiation (that is, Beijing should implement democracy, renounce the use of force against Taiwan, and not to interfere in the foreign affairs of the ROC under a vaguely defined one China principle).\textsuperscript{22} Therefore, although Taipei officially lifted its ban on indirect investment on the mainland in October 1990 under the ‘Measures on Indirect Investment and Technical Co-operation with the Mainland’, the new initiative actually stipulated that all investments were to acquire prior approval from the government.

Taipei later introduced its first ‘positive list’ in the hope of regulating investment flows to China more effectively. The regulations allowed indirect trade and investment under a tripartite scheme: permissive, prohibitive, and special case. Most sectors on the permissible list were traditional, labour-intensive industries that had lost their competitive advantage on the island and were often causing pollution problems. Still, each transaction must be forwarded through the relevant industry association before it got the approval of Investment Evaluation Commission under the Ministry of Economic Affairs; a complicated coding system then determined which items Taishang can invest in China. In addition, there is a list of finished and semi-finished products manufactured by TIEs on the mainland that cannot be


\textsuperscript{22} These preconditions were laid out by Lee in his inauguration speech in May 1990. He also insisted that contacts were to occur on an equal footing. See Richard Bush (former Chairman of the American Institute in Taiwan), ‘Lee Teng-hui and “Separatism”’, in Tucker, Dangerous Strait, p. 75.
imported into Taiwan.\textsuperscript{23} The 1993 ‘Regulations Governing Investments and Technical Co-operation with the Mainland’ further required investments of any size to be reported to the Investment Evaluation Commission within six months, and all investment projects over $1 million to obtain prior government approval and to pass a detailed review. Moreover, listed companies were prohibited from earmarking funds raised through new share-issues for projects in China; in principle, their annual total of mainland investment was not allowed to exceed their gross domestic investment in the same year either.\textsuperscript{24}

Despite all these disincentives and restrictions, as revealed in Table 4.1, in less than a decade, China emerged as a major export market (and eventually surpassed the USA in 2002) for Taiwan. With or without official permission, Taiwanese SMEs continued to trade with the mainland and pumped more capital into China’s coastal provinces, leading the Taipei government to push for a ‘southward’ (nanxiang) policy in 1994 so as to divert Taiwan’s outward investment away from the PRC and towards Southeast Asia (Eastern Europe, Central and South America, and later India are also among Taipei’s recommended investment destinations). For example, the Ministry of Economic Affairs ‘adopted’ the Subic Bay industrial estate project in the Philippines and the KMT’s Central Investment Company financed the development of an export-processing zone in Vietnam’s Ho Chi Minh City.\textsuperscript{25} In so doing, Taipei also sought to promote Southeast Asia as a growing market in order to counter the magnetic effect of mainland China’s market for Taiwanese goods in the long term.

Nevertheless, the ‘southward’ policy failed to shake the increasing concentration of Taiwan’s outbound investment in and trade dependence on China, let alone to

\textsuperscript{23} Even three year’s after Taiwan’s entry of the World Trade Organisation (WTO), only 72.6 percent of products imported into Taiwan were open to China. \textit{United Morning Post} (Singapore), 24 September, 2004.

\textsuperscript{24} Chu, ‘The Political Economy of Taiwan’s Mainland Policy’, pp. 172-73.

\textsuperscript{25} Cheng and Chang, ‘Limits of Statecraft’, p. 134; Chu, ibid.
create the economic leverage that Taipei had wished to use. Given a shared language and culture and geographical proximity (which, when other things are equal, entails lower transaction costs), Taiwanese investment in China easily dwarfed that in Southeast Asia by four to one in the mid-1990s, although they had been roughly equal just in the beginning of the 1990s (see Table 4.2). Moreover, the volume of Taiwan’s mainland-bound investment was not really discouraged by the 1995-96 missile tests (neither was cross-Strait trade) as the rise of Taiwanese investment in British Central America (the British Virgin Islands has been one of the biggest sources of foreign investment in China) in effect made up the drop of Taishang’s investment on the mainland in that year.

Table 4.2 Taiwan’s outbound investment by destination, 1991-2000 (unit: share %)

<table>
<thead>
<tr>
<th></th>
<th>China</th>
<th>HK</th>
<th>Singapore</th>
<th>ASEAN4</th>
<th>British Central America</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>9.5</td>
<td>10.9</td>
<td>0.7</td>
<td>37.7</td>
<td>14.6</td>
</tr>
<tr>
<td>1992</td>
<td>21.8</td>
<td>4.8</td>
<td>0.8</td>
<td>24.7</td>
<td>21.1</td>
</tr>
<tr>
<td>1993</td>
<td>65.6*</td>
<td>3.4</td>
<td>1.4</td>
<td>4.3</td>
<td>4.0</td>
</tr>
<tr>
<td>1994</td>
<td>37.3</td>
<td>4.9</td>
<td>3.9</td>
<td>7.3</td>
<td>22.1</td>
</tr>
<tr>
<td>1995</td>
<td>44.6</td>
<td>4.1</td>
<td>1.3</td>
<td>7.6</td>
<td>15.1</td>
</tr>
<tr>
<td>1996</td>
<td>36.2</td>
<td>1.8</td>
<td>4.9</td>
<td>9.5</td>
<td>23.8</td>
</tr>
<tr>
<td>1997</td>
<td>60.0*</td>
<td>2.0</td>
<td>3.2</td>
<td>4.5</td>
<td>14.5</td>
</tr>
<tr>
<td>1998</td>
<td>38.2</td>
<td>1.3</td>
<td>3.0</td>
<td>3.9</td>
<td>34.5</td>
</tr>
<tr>
<td>1999</td>
<td>27.7</td>
<td>2.2</td>
<td>7.2</td>
<td>3.6</td>
<td>30.1</td>
</tr>
<tr>
<td>2000</td>
<td>33.9</td>
<td>0.6</td>
<td>2.9</td>
<td>1.5</td>
<td>29.3</td>
</tr>
<tr>
<td>Subtotal 1991-1997</td>
<td>47.8</td>
<td>3.6</td>
<td>2.6</td>
<td>9.4</td>
<td>14.9</td>
</tr>
<tr>
<td>Subtotal 1998-2000</td>
<td>33.6</td>
<td>1.2</td>
<td>4.0</td>
<td>2.8</td>
<td>31.1</td>
</tr>
<tr>
<td>Total 1991-2000</td>
<td>41.7</td>
<td>2.6</td>
<td>3.2</td>
<td>6.6</td>
<td>21.8</td>
</tr>
</tbody>
</table>

Note: * reflects cases of previously unregistered investments. 

As noted earlier, since the early 1990s many large firms began moving to China to supply their export-oriented, downstream concerns that had already migrated to China, while pre-positioning themselves in a market that was expected to expand and liberalise (e.g., the infrastructure sector). In the summer of 1994, Chang Yung-fa, head
of the Evergreen Corporation (the world’s largest shipping container company) and supporter of the Centre for National Policy Studies (an important think tank for President Lee), publicly called for a ‘separation of the economic from the political in dealing with cross-Strait relations’. Two years later, Formosa Plastic (the largest petrochemical firm in Taiwan) reactivated a wave of investment fever by reaching a deal to build a $3.4 billion power plant in Fujian Province. Alarmed by growing pressure from the business community for closer cross-Strait economic ties, Lee Teng-hui intervened in August 1996 by issuing his well-known motto: ‘go slow, be patient’ (jieji yongren), which led to a more restrictive policy as embodied in the 1997 revision of the ‘Statute Governing Relations Between Peoples of the Taiwan Area and the Mainland Area’. The policy prohibited any participation in the infrastructure sector in China, restricted investment in high-tech industry there, and subject mainland-bound projects of any type exceeding $50 million to approval on a case-by-case basis. Taipei also threatened defiant business groups with stricter tax audits and recall of loans from state-owned banks. Afterwards, Formosa Plastic was privately persuaded to put its multibillion project on the shelf.

The fate of the ‘go slow, be patient’ policy was not hard to imagine, however. For one thing, given the liberalisation of the foreign-currency exchange regime since the late 1980s, SME investors can simply send money out of the island to a third location from which it can be invested in China; oftentimes, large business groups invest by controlling firms in third locations or through joint ventures with foreign firms. As Table 4.2 illustrates, in 1998-2000 the wave of mainland-bound investment to a large extent was channelled through British territories in order to circumvent government regulations over domestic ceilings. Furthermore, more and more influential Taiwanese

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business leaders—both in the traditional and high-tech sectors—joined the chorus of criticism, including Chang Yung-fa, Wang Yung-ching (head of Formosa Plastic), and Morris Chang, chairman of Taiwan Semiconductor Manufacturing Corporation (TSMC, the world’s largest IC foundry, i.e., chip-maker). They argued that opportunity costs associated with continuing the ‘go slow, be patient’ policy and the existing bans on the three links became higher and higher at the turn of the century. The new DPP government eventually switched to the policy of ‘active opening, effective management’ (jiji kaifang, youxiao guangli), as recommended by the 2001 Economic Development Advisory Conference set up by President Chen.

Under this new policy, Taipei increased the scope of permissive imports from China from 2,000 items to nearly 5,000 items. The government also allowed banks to establish representative offices (not branches), making direct remittance across the Strait become possible. The scope of permissive investment was also expanded, now including lower-end high-tech items such as notebook computers, mobile phones, and DVD players. Mainland-bound investment was simplified into a general category that required approval on a case-by-case basis, and a prohibited category that included investments in the service sector, high-tech sectors, state-designed ‘strategic and defence-related’ industries, agriculture receiving research and development subsidies from the PRC government, and other infrastructure projects such as power generation and water supply. More importantly, Taipei raised the ceiling of the investment amount from $50 million to $80 million per project (over which would require a special review process); an application for investment under $20 million would be automatically approved if no decision made by the regulatory authorities within a month.28 In addition, the DPP government opened the ‘three mini links’ between the

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two offshore islands of Quemoy (Kinmen) and Matsu and the mainland in January 2001.²⁹

Although the opening of the three mini-links and Taipei’s new policy was a sign in the normalisation of cross-Strait economic relations (which from Beijing’s perspective was of its own interest), this policy shift received only lukewarm response from China. Suspicious of Chen’s intentions, the PRC leadership had no interest in giving the traditionally pro-independence DPP credit before Taiwan’s legislative election in late 2001. It could also be argued that the move merely legalised the routine smuggling that had been operating between those outlying islands and Fujian; after all, it would be difficult to maintain the ban on direct links with China within the WTO framework. As one observer comments, ‘it was no more than recognition of events that had already taken place and was intended more as a means of effective regulation than to ease existing restrictions’.³⁰

Indeed, under a new special screening mechanism that was implemented in May 2002 for mainland-bound investment over $20 million, the ceiling of $50 million per project was in effect retained. The large-scale revision of the ‘Statute Governing Relations Between Peoples of the Taiwan Area and the Mainland Area’ in October 2003 did not touch upon the issue of three direct links, which had been the most protracted policy conflict between the business community at large and the DPP government. Rather than facilitating cross-Strait exchanges, the Statute’s amendments were designed to provide a sort of ‘safety valve’.³¹ In this regard, the underlying principle of Chen’s ‘active opening, effective management’ approach did not deviate

³⁰ Tian, Government, Business, and the Politics of Interdependence and Conflict across the Taiwan Strait, p. 84.
substantially from that of Lee’s ‘go slow, be patient’ policy.

Against this backdrop, the economic downturn in Taiwan (year 2001 in particular) and the conjuncture of massive Taiwanese investment in the mainland and rising unemployment rate at home in the early 2000s has become a powerful rallying cry for the Pan-Green camp (a coalition between the DPP and the TSU) and their supporters against further economic interaction with China. Unable to adjust to the changing economic situation across the Taiwan Strait and, indeed, the dynamics of globalisation, those blue-collar workers employed in manufacturing, farmers, and low-skilled labour in general constitute the core of the pro-independence constituencies and are susceptible to Taiwanese nationalist appeals.32 While it has often been argued that there is some relationship between Taiwanese investment in the mainland and rising unemployment levels in Taiwan,33 it is debatable regarding the strength of this empirical association, whether it represents a causal relationship, the underlying causal mechanisms driving this relationship, or the conditions under which it holds. Politically, however, such concern is reflected in various public opinion polls and adds to the advantage of those who oppose closer cross-Strait economic interaction. For instance, according to a poll in 2002 by the Taiwan Advocates (a think tank led by Lee Teng-hui), about 66.8 percent of the surveyed respondents believed that Taiwan’s rising unemployment ratio was related to business investment in the mainland, while more than 77 percent agreed that it was a grave concern that Taishang poured capital in China while leaving their debt behind in Taiwan (‘jian jin Zhongguo, zhai liu

33 See, for example, a collection of conference papers edited by the Taiwan Advocates (Qun Ce Hui) in Liangan jiaoliu yu guojia anquan (Cross-Straits Exchange and National Security of Taiwan) (Danshui: Taiwan Advocates, 2004). The MAC also warns that the opening of direct links without effective management would hasten the transfer of Taiwan’s capital, technology, and talent to China and thus aggravate unemployment on the island. See Mainland Affairs Council, ‘Assessment of the Impact of Direct Cross-Strait Transportation’, 15 August, 2003, p. 47.
The grand debate in 2002 surrounding whether the government should lift the ban on the construction of eight-inch wafer foundries in China was indicative of the aforementioned tendency. The opponents (e.g., TSU legislators) insisted that TSMC’s construction of eight-inch wafer fabrications (fabs) in China could begin only after its twelve-inch fabs in Taiwan had reached the ‘economy of scale in production’ and that a technology protection law being enacted. They ignored the fact that China’s own IC foundries (Zhongxin and Hungli in particular), with technology transferred from Western integrated device manufacturers, at that time had been able to use more advanced micron technology than that of TSMC’s proposed plant to produce eight-inch wafers for China’s domestic market. Lifting the restrictions on cross-Strait commercial and transportation links, the argument goes, would benefit a few Taishang but harm the majority of the island’s population, causing not only a more rapid loss of jobs but also a drop in salaries and real estate prices in Taiwan to levels that prevail in China.

Perhaps this line of argument is best expressed in Huang Tien-lin (former National Policy Advisor to President Chen)’s ‘Xiyu’ analogy: Xiyu is a major islet of the Pescadores (Penghu). In 1970, a bridge connecting Xiyu and the Penghu proper was built in order to develop its local economy, but the islet ended up with losing thousands of its own population and further marginalisation. This is so because within the same economic region the more convenient transportation is, the quicker the people, capital, and technology will flow from the peripheries into the core (e.g.,

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35 See Chyan Yang and Shiu-Wan Hung, ‘Taiwan’s Dilemma across the Strait: Lifting the Ban on Semiconductor Investment in China’, Asian Survey, 43:4 (2003), pp. 681-96; Cheng, ‘China-Taiwan Economic Linkage’, pp. 116-26. A wafer is a thin slice of semiconductor material, such as a silicon crystal, used in the fabrication of integrated circuit and other microdevices.
Penghu/Taiwan, Hong Kong/mainland China). Huang thus described direct links and a Beijing-sponsored proposal for a Taiwan-China free trade area as ‘strategies aimed at making Taiwan quench its thirst with poisoned drinks’. He criticised ‘China’s evil plan to bait Taiwanese businesspeople’ with ‘lures that make you lose reason and resistance… to make you fall into its trap to be slaughtered’. In early 2006, the Chen administration announced that cross-Strait economic and trade policy ‘should not focus merely on the pursuit of individual or corporate interests’, and that it would ‘actively take on the responsibility of management in order to effectively reduce the risks of opening’.

In a nutshell, the deepening economic ties with China have been so lopsided that three concerns are frequently raised regarding their negative impact on Taiwan. First, it is believed that Taiwan’s economic dependence on China would create a ‘hostage effect’ that Beijing can threaten to hold up commerce so as to extract political concessions from Taipei. A second concern is a ‘hollowing out’ of Taiwan’s industrial base, following the relocation of Taiwanese firms to the mainland. Third, China-based Taishang could unwittingly become political agents for Beijing, creating the ‘Fifth Column’ effect (I will revisit the first two concerns in Section 4.3 and the third one in the next chapter). Although these concerns all presuppose that ‘Taiwan’s losses become China’s gains’ (and hence posing dangers to national security), the question of relative gains is generally under-examined in the existing literature on

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37 Quoted from Roy, ‘Cross-Strait Economic Relations’, p. 4.

38 Mainland Affairs Council, ‘Supporting Mechanisms for “Active Management, Effective Opening” in Cross-Strait Economic and Trade Relations’, 22 March, 2006, p. 1. The new policy continued to draw criticisms from both advocates and opponents of closer cross-Strait contacts. For the former, it was unnecessarily restrictive; for the latter, it was too ineffective to stem the tide.


40 Adapted from Tien-lin Huang, ‘Goodbye, Paris, More Pain to Come’, Taipei Times, 14 October 2007. Huang criticises that Taiwan’s overinvestment in China has led to its shrinking market share in Europe (as well as its international standing there), whereas China’s share (and influence) continues to surge.
cross-Strait economic relations, a subject to which I now turn.

4.2 ‘China’s Gains, Taiwan’s Losses’

The dual process of economic interaction and political divergence across the Taiwan Strait has important relevance to the enduring debates between liberal and realist scholars over the relationship between economic interdependence and international conflict in the international relations field. What has been missing in these debates, as will be seen in this section, is a recognition that the concern over relative gains is not simply about whether or how far a given state might exploit its disproportionate gain against its previous trading partner, but about defining someone outside as a threatening antagonist.

Generally speaking, liberals of various stripes share a basic assumption that heightened economic exchange pacifies interstate relations, or at least decreases incentives for conflict (the ‘trade-promotes-peace’ proposition). Their central theme is that states are less likely to fight each other if there are considerable opportunity costs associated with the use of military force. As trade exploits comparative advantages and produces economic benefits for both parties, the anticipation that war will disrupt these linkages (hence a loss or reduction of the gains) creates incentives for political

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41 Denny Roy had mentioned in passing that, even if Taiwan benefited in overall economic terms, cross-Strait trade and investment underscored the question of relative gains. Roy, ‘Cross-Strait Economic Relations’, p. 5.
leaders to evade actions that are likely to lead to war against important trading partners. Furthermore, such interdependence at the domestic level creates pressure groups that benefit most from trade and prefer the maintenance of a peaceful environment to war.\textsuperscript{44} Interdependence at the level of the country-pair may also transform state preferences through rising contacts and communication, thereby fostering co-operative political relations.\textsuperscript{45}

However, as we have seen, increasing contacts and economic exchanges have heretofore failed to inhibit cross-Strait hostilities. Instead, both sides are seeking to manipulate economic linkages across the Taiwan Strait for their respective political purposes. Taipei has been on the defensive about the issue of three links, worrying that once it is opened, there is virtually no way to shut it off again (the ‘floodgate argument’).\textsuperscript{46} Such use of economic statecraft and the dynamics it brings about have been captured in Albert Hirschman’s classical work \textit{National Power and the Structure of Foreign Trade}. According to Hirschman, national power—defined in terms of the capability of one nation to coerce another—can be applied through ‘peaceful’ or military means. By peaceful means, he refers to the manipulation of trade ties for the purpose of inducing the target state’s political concessions.\textsuperscript{47} For example, by deliberately creating a situation of asymmetrical interdependence (i.e., providing ‘carrots’), the sender can then exploit it as a means of extracting consents from the

\begin{footnotesize}
\begin{enumerate}
\setcounter{enumi}{44}
\item Chu, ‘The Political Economy of Taiwan’s Mainland Policy’, p. 179.
\item Likewise, David Baldwin argues that economic statecraft can be most effective when combined with the use or the threat of use of other dimensions of power. David A. Baldwin, \textit{Economic Statecraft} (Princeton: Princeton University Press, 1985), p. 143.
\end{enumerate}
\end{footnotesize}
receiver to the pursuit of the sender’s interests.\textsuperscript{48} 

From this perspective, if one side depends on a trading relationship more heavily than the other side, the costs associated with disrupting or severing the relationship are lower for the latter than the former state. As Robert Keohane and Joseph Nye have indicated, ‘It is asymmetries in dependence that are most likely to provide sources of influence for actors in their dealings with one another’.\textsuperscript{49} The effect of that influence, they argue, is contingent upon the size of the immediate loss that can be inflicted by such disruption or severance, and upon the differences in size between the two trading partners or their relative degrees of specialisation. Under these circumstances, trade may do little to deter the less dependent state from initiating hostilities. This seems to provide an explanation as to why Taipei has been insisting that unfettered cross-Strait economic exchange can undermine national security.

Another theme stressed by Hirschman is that the gains from trade often do not accrue to states proportionately and that the distribution of these gains can alter power relations among states. The problem of relative gains arises, as states attempt not merely to increase their absolute power or utility, but to increase the gap between what they have and those of other states from co-operation. States are ‘compelled to ask not “Will both of us gain?” but “Who will gain more?” If an unexpected gain is to be divided, say, in the ratio of two or more, one state may use its disproportionate gain to implement a policy intended to damage or destroy the other’.\textsuperscript{50} For many modern realists, shifting power relations, in turn, point to a potent source of military conflict. They maintain that any apparent pacifying effects of economic interdependence are


\textsuperscript{50} Quoted from Kenneth N. Waltz, \textit{Theory of International Politics} (Reading: Addison-Wesley, 1979), p. 105.
always secondary relative to the effects of the distribution of material capabilities and related strategic considerations at the dyadic and systemic levels. Economic interdependence at best has a negligible impact on international conflict, as Robert Gilpin puts it,

The major point to be made in these matters is that trade and other economic relations are not in themselves critical to the establishment of either cooperative or conflictual international relations... At times economic intercourse can moderate and at others aggravate these relations. What can be said with some justification is that trade is not a guarantor of peace... In general, the character of international relations and the question of peace or war are determined primarily by the larger configuration of power and strategic interest among the great and smaller powers in the system. ⁵¹

The remaining part of this section discusses structural realist explanations of international relations, causes of great-power war, and the political economy of national security. For the sake of argumentation clarity and relevance to cross-Strait relations, I give special emphasis to the offensive realist perspective as articulated by John Mearsheimer. ⁵² Below I will briefly introduce this approach by comparing it with Kenneth Waltz’s structural realism. Mearsheimer’s prediction about the prospects for war and peace in Northeast Asia and his policy prescriptions will then be discussed.

Unpacking Offensive Realism

As with all realists, power is one of the key concepts of Mearsheimer’s The Tragedy of Great Power Politics. The book is organised around six questions dealing with

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power (as summarised in Table 4.3).\textsuperscript{53} Mearsheimer’s answers to these questions are derived from his five ‘bedrock assumptions’: The international system is anarchic; states inherently possess some offensive military capacity, which gives them the wherewithal to hurt and possibly destroy each other; states can never be certain about the intentions of other states; the most basic motive driving states is survival; and states are rational actors.\textsuperscript{54} On this basis, Mearsheimer posits that great powers always fear each other, that states ultimately depend on themselves for their security, and that the best way for states operating in such a self-help system to ensure their survival is maximisation of relative power.\textsuperscript{55}

\begin{table}[h]
\begin{center}
\begin{tabular}{|l|l|}
\hline
What is the underlying logic that explains why states compete for power? & To ensure their survival in an anarchic international system \\
\hline
How much power do states want? & States seek to acquire as much power relative to other states as possible, with hegemony as their ultimate goal \\
\hline
What is power? & Material capabilities defined in terms of military power (primacy of land power) and latent power (wealth and population) \\
\hline
How do states gain power, or to maintain it when other states trying to increase theirs? & Strategies for gaining power: war; blackmail; bait and bleed; bloodletting Strategies for checking aggressors: balancing and buck-passing \\
\hline
What are the causes of great power war? & International anarchy and the distribution of power among the first two leading states in the system \\
\hline
When do threatened states balance or buck-pass? & Depending on the magnitude of the threatening state’s relative capabilities and on geography (common border or barrier) \\
\hline
\end{tabular}
\end{center}
\caption{Table 4.3 Six questions of The Tragedy of Great Power Politics}
\end{table}

\textsuperscript{55} Mearsheimer, \textit{The Tragedy of Great Power Politics}, pp. 32-35.
Mearsheimer argues that states (great powers in particular) always strive to maximise their own relative power, with hegemony as their ultimate goal if possible. In his scheme, hegemon refers to the only dominating great power in its regional system, such as the United States in the Western Hemisphere; unless a state can acquire a clear-cut nuclear superiority, the ‘stopping power of water’ makes global hegemony highly unlikely to achieve.\(^{56}\) ‘Strength ensures safety’, Mearsheimer writes, ‘and the greatest strength is the greatest insurance of safety’.\(^{57}\) While exploiting opportunities to increase their share of world power, ‘sophisticated power maximisers’ also seek to prevent rivals from gaining power at their expense, trying to ‘figure out when to raise and when to fold’.\(^{58}\) Hence, buck-passing—to remain on the sidelines, intending to pass the burden of resistance onto some other state that is also threatened by the aggressor—is generally preferred over balancing,\(^{59}\) as an ancient Chinese proverb describes it: ‘When the snipe and the clam grapple, the fisherman profits’.

In contrast to Mearsheimer’s claim that security requires accumulating as much power relative to other states as possible, his ‘king of thought’ Waltz contends that the over-accumulation of power will invite other states’ balancing behaviour.\(^{60}\) According to Waltz, ‘balance-of-power politics prevails [in the international system] wherever two, and only two, requirements are met: that the order be anarchic and that it be populated by units wishing to survive… [t]he first concern of states is not to

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\(^{56}\) Ibid., pp. 41, 140-41.
\(^{57}\) Ibid., p. xi.
\(^{58}\) Ibid., p. 40.
\(^{59}\) Ibid., pp. 159-61, 269-72. The more proximate the aggressor and the greater its relative capabilities, according to Mearsheimer, the more likely balancing comes into being.
\(^{60}\) In his interview with *International Relations*, Mearsheimer used the term ‘king of thought’ to describe Waltz. ‘Conversations in *International Relations*: Interview with John J. Mearsheimer (Part I)’, *International Relations*, 20:1 (2006), pp. 105-23; and ‘Conversations in *International Relations*: Interview with John J. Mearsheimer (Part II)’, *International Relations*, 20:2 (2006), pp. 231-43.
maximize power but to maintain their positions in the system’.°°°°°° States run risks if they have either too little or too much of power, and thus ‘sensible statesmen try to have an appropriate amount of it’.°°°°°° In fact, Waltz even goes so far as to suggest: ‘If there is any distinctively political theory of international politics, balance-of-power theory is it’.°°°°°° Obviously, the two requirements Waltz identified are not in themselves sufficient to form the balancing of power; an imperialist state, for example, wishing to survive under anarchy does not necessarily balance power.°°°°°°

Here it is important to look at how these two theorists with a similar point of departure eventually offer quite divergent explanations and predictions about international politics.°°°°°° To be sure, Mearsheimer insists that there are important differences in his and Waltz’s starting assumptions. As noted earlier, Mearsheimer accepts Waltz’s two assumptions regarding international anarchy and the dominant goal of states (i.e., survival), but adds three other assumptions that he claims as novel: that all states have some offensive military capability, that states cannot be certain about other states’ intentions, and that states act rationally. Under careful scrutiny, however, one finds that Waltz does not reject the utility of force in the international realm; as he puts it boldly, ‘Wars among states cannot settle questions of authority and right; they can only determine the allocation of gains and losses among contenders and settle for a time the question of who is the stronger’.°°°°°° Likewise, Waltz has made

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°°°°°° Waltz, Theory of International Politics, pp. 121, 126.
°°°°°° Waltz, Theory of International Politics, p. 117.
°°°°°° For useful clarification, see Mearsheimer’s interview with International Relations.
°°°°°° Waltz, Theory of International Politics, p. 186.
it clear that states in anarchy are ‘unsure of one another’s intentions’. Although Mearsheimer is right to point out that Waltz attempts to create an ‘escape hatch’ in the face of growing empirical anomalies by stating that he does not assume that states are rational actors, it does not mean that in Waltz’s neorealism (at least its early exposition) there is no rational actor assumption at all. On balance, it does not seem unreasonable to conclude that all of Mearsheimer’s bedrock assumptions have been put forward in Waltz’s writings—explicitly or implicitly.

The ultimate difference between Mearsheimer and Waltz, then, seems to lie in the causal weight they assign to uncertainty about intentions in their respective analytical constructs. Inspired by what Randall Schweller called ‘the status-quo bias’, Mearsheimer indicates that there is no reason why states in an anarchic system merely wishing to survive should fear each other, since Waltz does not (explicitly) allow for some possibility that other states have or will have aggressive intentions. As a result, ‘the Waltzian train never gets out of the station’. By contrast, Mearsheimer posits that offensive realism takes the uncertainty of intentions assumption seriously, for its basic logic is grounded in the concept of the security dilemma. Because there is no higher authority to which a threatened state can turn for help, and because the good will of other states (such as security co-operation) can never be certain, the best way for each fearful state in pursuit of its own security is to take advantage of other states and increase power at their expense.

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67 Ibid., 112.
68 ‘Interview with John J. Mearsheimer (Part I)’, p. 112.
69 See especially Waltz’s definition of realism in Theory of International Politics, p. 117.
70 That is to say, if all states are satisfied with, and seek to maintain, their relative positions in the international system, what is the driving force of the system? Randall L. Schweller, ‘Neorealism’s Status-Quo Bias: What Security Dilemma?’ Security Studies, 5:3 (1996), pp. 90-121.
71 ‘Interview with John J. Mearsheimer (Part II)’, p. 231.
Mearsheimer’s world are ‘offensive positionalists’, always looking for opportunities to improve, rather than maintain, their power positions in the international system until they achieve hegemony.

From an offensive realist perspective, the ‘status-quo bias’ from which Waltz’s theory has been suffering has finally been resolved; there is no need to resort to complicated, *ad hoc* explanations at the unit level which will compromise the parsimony of structural realism. The seeming attraction of offensive realism *vis-à-vis* its ‘prototype’ comes also from its claim to explain both international outcomes and foreign policy behaviour.\(^73\) Indeed, discussions about the prospects for regional stability in Northeast Asia occupy half a chapter in length in *The Tragedy of Great Power Politics*, and Mearsheimer’s provocative assertion that a rising China is ‘the most dangerous potential threat to the United States in the early twenty-first century’ has become a well-known position of offensive realism in the study and practice of East Asian security.\(^74\) Recalling the conventional and critical conceptions of foreign policy laid out at the outset of this thesis, however, he also represents a prime exemplar of the school of thought that considers foreign policy solely as the rational, external orientation of a pre-given and static national identity. As will be seen, this in turn casts doubt on the appropriateness of using the notion of relative gains to explain and justify Taipei’s restrictions on cross-Strait economic ties.

*Great Power War and the Taiwan Strait Issue*

Like Waltz, Mearsheimer also holds that bipolarity is more stable than multipolarity,\(^75\)

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but he claims to go beyond this proposition by making a distinction between 
multipolar systems with or without a ‘potential hegemon’. In his definition, potential 
hegemon refers to the most powerful state in its regional system, which has a marked 
power gap between itself and the second most powerful state in the system.76

According to Mearsheimer, Northeast Asia in the 1990s was a ‘balanced’ multipolar 
system consisting of China, Russia, and the United States; although this power 
configuration was less stable than bipolarity, regional security was maintained by the 
nuclear arsenals possessed by these three great powers, the continued presence of U.S. 
forces as an offshore balancer (see below for further discussion), and the relative 
weakness of China and Russia (e.g., lack of sufficient power-projection capability).77

Offensive realism nevertheless predicts that the likelihood of instability will 
significantly increase when a potential hegemon appears in the regional system—with 
China as the most likely candidate because of its economic growth—and thereby 
creates ‘unbalanced’ multipolarity, which is considered as the most war-prone system. 
On the one hand, the potential hegemon will behave even more aggressively over its 
neighbouring states to achieve supremacy, because ‘it has the capacity as well as the 
incentive to do so’. On the other hand, other fearful states’ balancing coalition, even 
though essentially defensive, will be seen as encirclement by the potential hegemon, 
which in turn will touch off a spiral of fear that is more likely to lead to war.78

Interestingly, Mearsheimer’s formulation resonates closely with that of E. H. Carr:
‘The most serious wars are fought in order to make one’s own country militarily 
stronger or, more often, to prevent another country from becoming militarily

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76 Mearsheimer, The Tragedy of Great Power Politics, p. 45.
77 Ibid., p. 381.
78 Ibid., pp. 37, 345-46.
As the regional hegemon of the Western Hemisphere, Mearsheimer argues that the United States has sought to restrain the emergence of any potential hegemon or ‘peer competitor’ both in Europe and Asia by consistently acting as an offshore balancer. If China’s economy continues to grow at an impressive pace and eventually becomes a potential hegemon, Mearsheimer anticipates that an anti-China balancing coalition would be formed in that unbalanced multipolar system. Without the U.S. intervention, however, it would be unlikely for other great powers to keep China at bay. The United States would be therefore destined to engage in an inevitable security competition with a rising China, which could even possess ‘four times as much latent power as the United States does’. To make matters worse, China and the United States could ‘end up in a shooting war’ in the Taiwan Straits, because Beijing has profound hegemonic interests in controlling Taiwan. ‘For sound strategic reasons’, Mearsheimer concludes, China ‘would surely pursue regional hegemony, just as the United States did in the Western Hemisphere during the nineteenth century’ by developing ‘its own version of the Monroe Doctrine’.

Such an alarming scenario has in fact been envisaged in some international relations theory literature associated with the ‘power transition’ tradition. According to that perspective, differential rates of economic growth lead to the rise and fall of hegemons (normally defined in a looser sense than that of Mearsheimer’s), which often arise and utilise their power to shape a favourable external environment that at

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80 Mearsheimer, *The Tragedy of Great Power Politics*, chap. 7, at p. 238. Due to the ‘stopping power of water’, Mearsheimer conceives offshore balancers as having no apparent territorial ambitions in other areas. On the relationship between regional hegemons and offshore balancers, see ibid., pp. 141-43.
81 Ibid., pp.374-75, 400-01.
82 Ibid. Also see Mearsheimer’s debate with Zbigniew Brzezinski, ‘Clash of the Titans’, *Foreign Policy*, 146:1 (2005), pp. 46-50.
the same time enhances the stability of the system. The probability of a major war (or ‘hegemonic war’) is greatest at the point when the dominant power fears that it will lose its control over the international system, and the rising challenger begins to demand its rightful place in the system. Arguments of this type often invoke familiar historical analogies or the Chinese desire to restore a Sinocentric tribute system, whereby a China with expanding economy and growing military capabilities will undoubtedly head towards external expansion by solving the Taiwan issue on its terms and ultimately pushing US military power out of the region.

The tragedy of great-power war over Taiwan, in short, is virtually a matter of time so long as China keeps on growing. Hence Mearsheimer’s policy prescription for Washington is to abandon the hopeless, counter-productive engagement policy (as it amounts to adding fuel to the booming Chinese economy) and to ‘do what it can do to slow the rise of China’ before ‘it is not too late’. From this perspective, if Taiwan wishes to defend its de facto independence, it has no alternative but to serve as a US ‘aircraft carrier’ against China. This section has illustrated how the problem of relative gains and changing power relations among states may lead to war based on an offensive realist explanation; the following section will examine whether this potentially best justification of Taipei’s restrictive economic policy with respect to

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China can stand up to scrutiny.

**Summing Up**

The paradoxical development of deepening economic interaction and intensifying political rivalry in current relations across the Taiwan Strait is an issue of policy and theoretical significance, which may have serious repercussions to peace and stability within and beyond the region. Considerable trade surplus with China notwithstanding, various concerns have been registered with respect to the threats that China’s economic magnetic effects could pose to Taiwan’s national security. Taipei has openly embraced the notion that promoting cross-Strait trade and investment relations could economically harm Taiwan through a more rapid loss of talent, capital, and technology to the mainland and politically harm Taiwan by increasing its vulnerability to PRC economic coercion for political purposes. Hence the more economic ties develop, the more forcefully Taipei strives to regulate the pace of economic interaction, reasoning that unfettered economic integration will eventually compromise Taiwan’s security.

The rationale on which the Taiwan government has been resisting deepening economic ties with China in the last two decade is in line with a core realist assumption that sees the state as the dominant player in international affairs. It is the state, not private actors, which asserts the primacy of the national interest and thus has the ultimate control over the policy-making process. When the state chooses to act, it is more powerful than any sub-unit (e.g., business groups) within it. In this sense, interdependence exists because states allow it to exist. If states refuse to do so, the seemingly constraining effects of that interdependence would be broken.⁸⁸

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⁸⁸ Similarly, the developmental state literature in the study of East Asian political economy questions the simplistic assumption of neoclassical economy that markets always function efficiently. To improve the economic prospects of a late industrialised country, state intervention matters in terms of
Moreover, the concern that allowing Taiwanese high-tech firms to invest in China will speed up the hollowing out of Taiwan’s prized high-tech sector and amounts to helping raising the technological proficiency of Taipei’s political adversary underscores many realists’ focus on relative gains. Even the prospect of large absolute gains for Taiwan does not elicit closer cross-Strait co-operation so long as Taipei fears how Beijing will use its increased material capabilities. Taipei’s underlying concern is that Beijing’s economic might—accumulated in an asymmetric cross-Strait relationship—will translate into politico-military influence and lead China eventually to resort to force to settle the Taiwan issue. Such concern, again, accords with offensive realist explanations of the causes of great-power war, which situate Taiwan in the centre of the regional system’s changing power reconfiguration and thus in-between the collision course of a rising China and the reigning US power that seeks to defend its place in the system. Whether academic discourse influences Taipei’s economic policy or just reflects it is beyond the scope of this thesis; the point is that these assumptions have provided the Taiwan government with justification to regulate and restrict economic interactions across the Strait since the 1990s. Unable to grasp the discursive relationship between the idea of ‘China’s gains, Taiwan’s losses’ and Taiwanese identity formation, however, the justification they provide is ultimately unsustainable.

4.3 Rethinking Power and Interdependence across the Taiwan Strait

pertinent literature in political economy, this section offers a theoretically informed policy critique of Taipei’s regulations and restrictions on cross-Strait economic relations after the end of the Cold War, which have been based on the premise that the PRC’s rapid economic growth is a threat to Taiwan’s economic well-being as well as national security. Contrary to this conventional wisdom, it suggests that Taipei’s economic policy is not about dealing with the problem of relative gains and its worst-case scenario, because its underlying assumption regarding the war-proneness of rising powers does not take into account significant structural constraints posing on China’s strategic behaviour by today’s international system. Nor is the policy about promoting Taiwan’s economic strength, since it prohibits Taiwanese businesses from fully exploiting the Chinese world factory based on the principle of comparative advantage. By increasing the transaction costs for those who are doing business on the mainland, however, Taipei’s regulations on cross-Strait economic exchanges work best to establish the differences between China and Taiwan in Taishang’s mindset.

Not about Great-Power War

The proclaimed contribution of offensive structural realism to IR theorising is a general proposition that it is rational for security-seeking states to engage in sophisticated power maximisation; this includes, where feasible, pursuing regional hegemony. By extending Mearsheimer’s ‘stopping power of water’ concept that entails differentiation among different types of great power, Colin Elman demonstrates why hegemonic bids are no longer rational (in realist theory terms) for would-be revisionists in the twenty-first century.\(^9\) Using France’s sale of Louisiana to the United States in 1803 as an illustration, Elman argues that it is the absence of

\(^{89}\) Elman, ‘Extending Offensive Realism’. In fact, Mearsheimer had admitted that hegemony is rare because ‘costs of expansion usually outrun the benefits before domination is achieved’. Mearsheimer, ‘Back to the Future’, p. 13, n. 15.
local and extra-regional balancers, not balancing inefficiencies (e.g., buck-passing), that best explains when great powers can hope to dominate their neighbourhoods. The United States—the only success story in Mearsheimer’s theory—did not reach regional hegemony by exploiting the failure of hostile great powers that tried to stop it. Instead, US regional dominance was achieved because it was the sole great power in North America, and because potential opposition from extra-regional continental great powers (such as France) and an insular island state (Great Britain) never materialised.\(^90\)

The policy implications that follow Elman’s analysis are straightforward: a careful application of offensive realism in effect yields more benign prospects for peace in East Asia than what Mearsheimer has portrayed. It provides no encouragement for China’s hegemonic attempts (if any) in the twenty-first century; unlike the United States in the nineteenth, Beijing would need to cope with a powerful offshore balancer as well as other local great powers. One should therefore expect that Chinese leaders have strong structural incentives to pursue comparatively \textit{status quo}-oriented policies toward their neighbours, including a peaceful resolution of the Taiwan Straits issue.\(^91\)

Curiously, the fact that every country in East Asia including China is being constrained by a comprehensive (and robust) US base structure is mostly left out in the eyes of the China watchers:\(^92\) Pacific Command (PACOM) in Honolulu, the Third and Seventh Fleets, the largest airbase in the region at Kadena on Okinawa, the singular Marine expeditionary force permanently located abroad, also in Okinawa


\(^{91}\) This point is generally overlooked by realist scholars in Taiwan. See Chih-yu Shih, ‘Breeding a Reluctant Dragon: Can China Rise into Partnership and Away from Antagonism?’ \textit{Review of International Studies}, 31:4 (2005), pp. 760-64.

(US military bases occupied twenty percent of this island before some of them were relocated to Guam), the 100-odd bases and facilities in South Korea, the Trident submarines that prowl East Asian waters, the spy planes prying along China’s coasts (recall the EP-3E collision incident in April 2001), and so on. With the exception of Pearl Harbor, the US bases in East Asia completely neutralised the rivalry between Japan and the United States that continued for half a century, and that base structure persists (and expands) into the twenty-first century as if nothing had changed since World War Two and the Korean War. As Bruce Cumings indicates, for the first time in world history, the sole superpower maintains an extensive network of bases on the territory of its major allies and industrial powers—Japan, Germany, Britain, Italy, and South Korea—while expanding this worldwide archipelago of 700-strong military bases into former Soviet bases in Central Asia near Russia’s southern and China’s western borders in the wake of the 9/11 incidents and the ‘war on terror’. It is internally inconsistent to describe China as a master of great power politics yet unable to recognise when to fold in the face of the aforementioned structural constraints.

The confusion over the prospects of East Asian security is particularly problematic for Mearsheimer. After all, the spectre of PRC invasion looms large in *The Tragedy of Great Power Politics*—an intense and inevitable Sino-American security competition that is most likely to lead to war over Taiwan if China continues to grow. Indeed, offensive realism’s principal hypothesis, namely great powers always look for opportunities to maximise their relative power until achieving regional hegemony, also runs the risk of tautology. Any state that desisted from seeking power-maximisation can be conceived as simply biding its time; and any war it initiated can be counted as ‘empirical evidence’ for its revisionist intention, without

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93 Ibid.
even knowing how the particular war came about. Moreover, by equating security-maximisation with power-maximisation (in Mearsheimer’s term, states are ‘short-term power maximisers’), offensive realism not only conflates the end with the means, but also violates the principle of marginal utility—when a state accumulates power, its marginal costs of further accumulation will increase and/or marginal benefits will decline. All in all, the fact that Mearsheimer himself was opposed to the Iraq war on the ground that the United States could not succeed in Iraq without lots more land power, whereas his disciple arguing on his behalf that the US decision to launch a preventive war against Iraq did not contradict the offensive realist tenets came as no surprise to Mearsheimer’s critical readers.

Unfortunately, in his recent case study that aims to assess ‘whether China can rise peacefully’, Mearsheimer simply repeats the already tired historical analogies to support his policy prescription: ‘An increasingly powerful China is also likely to push US military forces out of Asia, much the way the USA pushed the European great powers out of the Western Hemisphere in the nineteenth century. China can be expected to come up with its own version of the Monroe Doctrine… It is clear from the historical record how US policy makers will react if China attempts to dominate Asia.’

But historical analogies do not amount to causes or explanations. Those who rely

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on historical analogies to conjecture about Beijing’s intentions tend to commit one of
two kinds of analytical fallacies. As Alastair Iain Johnston points out, either they are
imprecise about how the leadership of the CCP is socialized to accept the validity of
some analogies (e.g., tribute system) over others, or they are imprecise about ‘why
Chinese conditions at time $t$ that are identical to analogical conditions in time $t-n$ are
not corrupted, altered, or constrained by obviously new and different conditions’.99
Indeed, without hermetic conditions such as those of laboratory experiments, attempts
to identify empirical regularities by black-boxing states’ intrinsic properties with a
few measurable variables (e.g., material capabilities) are likely to be fruitless. Within
the open systems of the social world, objects not only have complex intrinsic
properties but also exist in complex relations with other things that have their own
internal complexity. This implies that the presence or absence of other things that
make up the conditions can in turn produce different properties of objects or
outcomes.100 Hence Johnston asks,

> Why, for instance, would any similarities between Wilhelmine Germany’s blustery
militarism and the current Chinese leadership’s obtuse politico-military diplomacy not be
altered by the fact that the CCP leadership is also probably more dependent on foreign
investment for economic growth (and political legitimacy) than was Wilhelmine
Germany, or by the fact that in the early twenty-first century, unlike the early twentieth,
the acquisition of new colonies by great powers is not a status marker of major
power-hood, or by the fact that China’s relative power vis-à-vis the ‘status quo’ United
States is far less than Germany’s was vis-à-vis the ‘status quo’ England?101

Unlike America’s rise in the nineteenth century, today’s East Asian regional
system is not a closed system within which China can ‘rise’ in isolation.102 The

100 On the importance of deepening and broadening the concept of cause in the IR theorising, see Milja
Kurki, ‘Causes of a Divided Discipline: Rethinking the Concept of Cause in International Relations
102 Barry Buzan, ‘Conclusions: How and to Whom Does China Matter?’ in Barry Buzan and Rosemary
Foot (eds.), Does China Matter? A Reassessment (London: Routledge, 2004), pp. 143-64; and Elman,
characteristics of this regional system and its evolution hinges not only on China’s power configuration, but also on how other neighbouring major powers (notably India and Russia) rise (hence it is difficult to delineate the geographical boundaries of the so-called ‘Chinese Monroe Doctrine’), how the alignments are formed among these powers, and the interplay between them and major extra-regional powers (the US and EU). Mere power transitions are thus not by themselves casus belli of war among the most powerful members of the modern system.

Not about Security Dilemma

One might question that I underestimate the potent uncertainty and the inescapable security dilemma that states must face in international anarchy. As Mearsheimer has pointed out, the possible consequences of falling victim to aggression amplify the importance of fear as a motivating force in world politics, which drives all states to think and act offensively toward each other and, if possible, to dominate their own regions, even if they merely want to survive. The fundamental problem with this assertion is its ‘revisionist bias’, since there is no such thing as ‘dilemma’ or uncertainty existing in a world that is populated by all robbers but no cops. In Mearsheimer’s scheme, each great power’s security measures pose genuine, not only hypothetical, threats to others because the purpose of arms acquisition is essentially for territorial expansion rather than pure self-preservation. There is no uncertainty that others could harbour aggressive designs that drives the security dilemma defined by John Herz:

Striving to attain security from...attack, [states] are driven to acquire more and more power in order to escape the impact of the power of others. This, in turn, renders the

‘Extending Offensive Realism’.

103 Jianjing Zhang, Zhongguo jueqi: Tongxiang daguo zhili de Zhongguo ce (Rise or Else: China’s Road to A Great Power) (Beijing: Xinhua chubanshe, 2005), pp. 251-53.
others more insecure and compels them to prepare for the worst. Since none can ever feel entirely secure in such a world of competing units, power competition ensues, and the vicious circle of security and power accumulation is on.\textsuperscript{104}

When pressed, Mearsheimer reiterates that he does not assume that states have aggressive intentions and that he makes the distinction between assumptions and behaviour (i.e., the uncertainty of intentions assumption means that because a state can never be reassured, it has to behave aggressively at all times in order to be secure).\textsuperscript{105} But the concept of insecurity is meaningless in a world that has always experienced crime.\textsuperscript{106}

Since fear comes from the danger of being hunted under conditions when one can never be certain, the ‘revisionist bias’ and the consequent absence of uncertainty mean that fear is in no way a corollary of offensive realism’s bedrock assumptions. Maybe just because fear is something that is actually missing in a situation of international anarchy, it must be invented and skilfully added to make the theory work.\textsuperscript{107} Without adding fear, it would be impossible for Mearsheimer to challenge the \textit{status-quo} bias and his whole enterprise would collapse. In addition, fear deployed in offensive realism is simply conceived as divisive, but what if fear functioned in another way? What if fear consolidated states for good rather than divided them for malignant competition?\textsuperscript{108} Mearsheimer could have avoided these mistakes if he did pay attention to an extensive literature that has warned scholars against the inappropriateness of seeing the international system as merely anarchical (and

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disorder-entailing) even before the rise of structural realism. The distribution of material capabilities leads to a division of labour among states (hence great powers and lesser states are by no means ‘like units’); just like the domestic realm, differentiation and hierarchy also exist internationally and provide governing mechanisms for states. Therefore, the question is not about the presence or absence of a central authority in the international (sub)system, but about the degree of centralization of authority as well as the degree of differentiation among its units.

Mearsheimer might insist that great powers still have powerful incentives to fear each other when operating in an anarchic system, because ‘nobody answers when states dial 911’; consequently, ‘they must be ready for danger from any quarter’. What Mearsheimer tends to eschew is that his 911 problem is not reserved for the international domain only. In many countries, the central authorities and their representatives do not always act like a good protector of their people; quite often they too are victimisers. This 911 metaphor does not in fact add any explanatory power to offensive realism, because fear is equally irreducible beyond and within the state boundaries.

Even if we are to accept that fear always exists among states, this does not mean that it cannot be ameliorated to a ‘trivial level’ as Mearsheimer asserts. Consider, for instance, the existence of the security communities in North America and

111 Treating states as functionally equivalent ‘like units’ is just one of the examples as to how ethnocentrism has become a powerful, sub-conscious mode of thinking in the study of international relations. See Ken Booth, Strategy and Ethnocentrism (New York: Holmes & Meier, 1979).
112 Mearsheimer, The Tragedy of Great Power Politics, p. 32.
Scandinavia. Canada cooperates with the United States on military issues without any such fear of betrayal that ‘will result in devastating military defeat’, let alone always harbouring aggressive designs against its neighbour should opportunities emerge. Moreover, states haunted by an overwhelming Hobbesian fear of violent death and those influenced by a trivial fear would behave very differently; the degree of aggressiveness (as well as the possibility of security cooperation) would vary accordingly. Offensive realists are inclined to dismiss opportunities of this kind, maintaining that the anarchic structure of international system is a ‘root cause’ of war; war is not obsolescent in the sense that it will come about somewhere, sometime. ‘But this assertion in effect concedes that war will come about only when other conditions other than international anarchy have been fulfilled’.

It is equally important to note that, since the end of the Cold War, almost all potentially great powers have proven to be ‘structural anomalies’; none has spent anywhere near the maximum that their wealth could allow to improve their militaries, preferring to direct their resources toward other priorities. Military spending as a percentage of GDP across the global north has remained relatively stable and low throughout the era. None of the European countries spend more than two percent of its GDP on its national defence (save France and the United Kingdom); even China, which has been frequently criticised for its continuous annual double-digit growth in

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116 'Interview with John J. Mearsheimer (Part II)', pp. 231-32; and Mearsheimer, ‘Back to the Future’, p. 12.
military expenditures in the past decade, has not spent more than that of the United States.\textsuperscript{119} Today’s great powers do not attempt to maximise their full military potential in large part because they can be reasonably assured that their neighbours are not planning to launch a surprise offensive.\textsuperscript{120}

\textit{Not about Economic Well-Being}

Ultimately, the best defence of offensive realism rests upon the uncertainty of others’ future intentions. Since today’s friend may be tomorrow’s enemy, one cannot know how Beijing will behave if its economy effectively turns China into a giant Hong Kong.\textsuperscript{121} Because states cannot convince each other that their intentions are always benign, they must worry that one day these intentions might turn malign. According to this line of reasoning, is it counter-productive for the United States not to balance an enlarging European Union, which has been the largest economy in the world (in terms of GDP) with a vast population, because one day it might evolve into a mighty and nuclear-armed European Federation? In Mearsheimer’s world, states should either prepare for the worst, but by preparing for the worst they risk creating situations that are self-defeating, or they can risk assuming the best, and so create situations under which they are likely to be exploited. What offensive realism does is construct insecurity by offering two undesirable alternatives, as if there was no space for states

\textsuperscript{119} The percentage varies, depending on how one estimates China’s opaque military spending. In 2002, for instance, the expert’s estimates ranged from 1.62 percent (International Institute for Strategic Studies, London) to 2.39 percent (Stockholm International Peace Research Institute, World Bank’s GDP data). Either case, it was lower than that of the United States (3.48-3.23 percent). See \textit{The Military Balance 2004-2005} (London: International Institute for Strategic Studies, 2004); \textit{SIPRI Yearbook 2003: Armaments, Disarmament and International Security} (Oxford: Oxford University Press, 2003); and World Bank, World Development Indicators Database.

\textsuperscript{120} If current trends continue and more years pass without the threat of major war—in other words, if these ‘structural anomalies’ have become the rule rather than exceptions—then IR scholars must prove flexible enough to adjust their analytical frameworks accordingly. Christopher J. Fettweis, ‘A Revolution in International Relations Theory: Or, What If Mueller Is Right?’ \textit{International Studies Review}, 8:4 (2006), pp. 677-97.

\textsuperscript{121} Mearsheimer, ‘Clash of the Titans’.
to reduce the dangers of both worst- and best-thinking.\textsuperscript{122}

This is exactly the situation where policy debates in Taiwan on cross-Strait economic exchanges have been taking place. Advocates of the normalisation of the cross-Strait economic relationship focus on the importance of interdependence, blaming the government’s restrictive measures (albeit quite often ineffective) for unduly constraining the development of a more efficient system of division of labour across the Strait under the pressure of global market competition; therefore, Taipei’s governing elites are responsible for Taiwan’s economic under-performance since 2000. Yet this ‘liberal’ view puts too much emphasis on the opportunity-cost argument and overlooks the potential security externalities of trade and investment. As mentioned in the first section, although Taiwan’s unemployment problem cannot be readily attributed to Taiwanese investment in China (otherwise the unemployment rate should have been much higher in the late 1980s when those sunset industries migrated to the mainland), signs of industrial hollowing out beginning in the late 1990s (recall the third wave of the ‘China fever’ led by the IT sector) do deserve attention. The high-tech sector is not by itself particularly job-creating, but its purchasing power is crucial to the expansion of the service sector. If major high-tech industrial clusters are all drained, and if the home economy is left without a new growth sector, Taiwanese FDI abroad may lead to significant investment and employment losses at home.\textsuperscript{123}

After all, it is innovative techniques and management (to which continual industrial upgrading is the key), not just lower overhead and labour costs or proximity to customers, that best ensures Taiwan’s position in, and benefits from, the emerging intraregional division of labour that lines up firms in Japan, the East Asian newly

\textsuperscript{122} This point has been made by Mearsheimer’s interlocutors in ‘Interview with John J. Mearsheimer (Part II)’.

industrialised countries (NICs), the second-tier NICs, and China.

On the other hand, opponents of closer cross-Strait economic interactions are preoccupied with Hirschman’s demonstration of the state’s use of power—peaceful or otherwise—in asymmetrical relations, accusing Taisheng’s investment in the mainland of creating Taiwan’s economic hardship (such as rising unemployment rates and widening gaps of household income) and security concerns (such as the ‘hostage effect’). The DPP government’s policy of managed liberalisation in 2001 thus drew sharp criticisms from this ‘realist’ camp, as if the previous ‘go slow, be patient’ and ‘southward’ policies were highly effective in resisting market forces. One important weakness of this view is that the promulgation of a policy is uncritically taken as proof of its successful implementation. However, the state’s capacities to implement a programme tend to depend as much on the configuration of society as of the state, including whether their interests are in harmony or in conflict, the institutional links between them, and the state’s compliance mechanisms. It also involves a complicated process of mutual adjustment between the two. Despite all the investment restrictions and the absence of the three links, the fact that in 2005 there remained only 6.8 percent of Taiwanese IT hardware products that were made in Taiwan (81 percent in China) is indicative of the ultimate constraints of the social environment in which the state is embedded. Taipei’s very reason to prohibit the three links, including preventing the relocation of capital-intensive and high-tech sectors to China, then, is no longer relevant since all products (laptops represent a recent example) entering the mature stage of their business life cycles eventually find their way to the Chinese world factory.

In this regard, what Taiwan’s economy needs is the same prescription for the

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‘liberals’—continual industrial upgrading through cultivating new growth sectors for Taiwanese industry, before they migrate to China or elsewhere. Without retaining the core competitiveness, even if cross-Strait exchanges were halted, Southeast Asian countries like Vietnam could still produce magnetic effects and hollow out Taiwanese firms. As Lin Chuo-shui (former DPP legislator) observes,

Once we have looked into the industrial situation across the Taiwan Strait, including the overall arrangement of Taiwanese businesspeople’s global operation, the composition of IC and PC industries’ comparative advantage between the two sides, and the entry of China’s domestic market, we cannot help but sigh with regret. From an economic perspective, whether or not establishing the so-called three links, maintaining the forty percent ceiling of China-bound investment… Taiwan being marginalised… they are no longer meaningful policy issues. However, [the government and the KMT] continue to struggle against each other over these topics at the expense of real strategies for political and economic development.

Although Taipei’s regulations and restrictions have been repeatedly compromised by business counter-strategies to bypass, Beijing’s seeming success to woo Taiwanese investors to the mainland also has unintended consequences. In fact, it has further exacerbated China’s trade frictions with the United States while aggravating its trade surplus with Taiwan. This is where the ‘hostage’ argument runs into problem. The PRC’s goal to influence Taiwanese economic actors and business organisations (i.e., ‘exploiting the businesspeople to encircle the government’) is no guarantee of success. The first section has provided some clues that Taiwan’s trade dependence on China needs to be understood in a broader context; many of China’s imports from Taiwan are capital or intermediate goods (rather than final consumer goods), which are crucial to China’s exports driven by Taiwan-invested firms. In reality, the United States remains to be Taiwan’s most important export destination, as

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126 The image display industry is currently one of Taiwan’s most important growth sectors, with TFT-LCD (thin-film-transistor, liquid crystal display) as the flagship product, which has surpassed South Korea as the leading supplier and users.

127 Lin, Gongtongti, pp. 139-40.
it used to be before 2002, only now Taiwanese goods are routed through the assembly lines in China. Imposing economic sanctions on Taiwan would mean an instant reduction of more than fourteen percent of China’s exports and a major disruption of Sino-American trade ties—the primary source of China’s earnings. That Taiwanese firms as a collectivity are not easily held hostage is reinforced by Taiwan entrepreneurs’ broad partnerships with local Chinese enterprises, local governments, and foreign enterprises and by Taishang’s capacities to absorb China’s urban unemployment (nearly four percent in 1999) and contributions to government revenue (enough to offset five percent of the central government’s budget deficit in 1999).128

Both sides of the Strait have enough stakes in the linkage to the extent that it is irrelevant whether Taiwan needs China more or vice versa. As Thomas Friedman illustrates in The World Is Flat, the production of a single commodity (such as his Dell laptop) in the globalisation of production often spans many countries, with each nation performing tasks in which it has a cost advantage. The development of global supply chains and global production networks, in turn, discourages military adventurism in the Taiwan Strait, since the area has been incorporated into these chains and any impact on cross-Strait economic relations would have inter-related and wide-ranging global effects.129

Neither Mearsheimer nor the political leadership in Taipei have recognised that a viable ‘third way’ (often termed as strategic hedging) to cope with uncertainties associated with China’s rising power has been being practiced by not a few regional actors.130 In Southeast Asia, for instance, that means ‘a policy of enmeshing China

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128 Cheng, ‘China-Taiwan Economic Linkage’, pp. 105-08; and Tung, ‘Cross-Strait Economic Relations’, pp. 142-45. Ironically, Dr. Tung had served as a deputy head of the MAC, which functions more like a gatekeeper rather than a facilitator in Taipei’s China policy-making.
130 While one may suggest that the new Ma Ying-jeou administration’s announcement to ‘maximise
discursively in non-use of force rhetoric, as well as economically and institutionally; sustaining the interest of other states in the regional security order—such as India, Japan, Australia and Russia;—and maintaining ties, formal and informal, with the US. This is not to say that a carefully devised hedging policy will render impossible any future clash between the PRC and Taiwan or, by extension, the United States; nevertheless, denying the open-endedness of history and pursuing a deterministic policy of containment is guaranteed to create an immediate enemy.

*It's about Producing Boundaries*

If Taipei’s restrictions on cross-Strait economic interactions cannot be adequately explained on the grounds of concerns over relative gains or promotion of Taiwan’s economic competitiveness, how shall we make sense of the puzzle laid out at the outset of this chapter about the concurrence of deepening economic interaction and persistent political confrontation in relations across the Taiwan Strait? This analysis suggests that it is helpful to rethink the relationship between power and interdependence within the context of identity politics in Taiwan. To be specific, Taipei’s economic policy toward China is better understood as ‘a specific sort of boundary-producing political performance’ that works to establish the differences opportunities, minimise dangers’ in cross-Strait relations reflects such an awareness, this thesis argues that it ultimately depends on whether the Ma administration can develop an orientation to dangers which is qualitatively different from that of its predecessors.


between the two rather than an instrument to safeguard Taiwan’s economic benefits or to balance China’s rising power. As economic ties across the Strait continue to grow, so do Taipei’s restrictions.

Whether those restrictions can effectively regulate Taiwanese business activities on the mainland so as to promote Taiwan’s economic interests are less important than containing any ‘spill-over’ effect of cross-Strait economic integration that may undermine the appeal of the nascent indigenous identity (recall the free movements of goods, services, personnel, and capital in the EU and the European identity to which they have given rise). The prohibition of direct air transportation links between Taiwan and China, for example, does not just imply that Taiwanese businessmen and travellers have to endure much longer flying hours (including waiting for transfer in Hong Kong or Macao) and more expensive airfares than what could have been the case; it also reminds them that China—no matter how modern it is catching up Taiwan—is still a distant ‘foreign’ place outside of Taiwan.

Likewise, only when Taipei’s cross-Strait economic policy is understood as a boundary-drawing practice for Taiwanese identity construction can we account for the tendency of pro-independence politicians and interest groups to call for the WTO framework in settling trade disputes with China, which is useful for creating the impression that Taiwan and China enjoy equal sovereign status. However, as indicated in the first section, publicly endorsing the WTO approach in effect exposes Taiwan’s violation of the WTO principle in terms of its trade barriers against imports from the mainland. The greatest significance of Taipei’s economic policy with respect to the PRC, then, is to tell the Taiwanese people how to differentiate themselves from the Chinese but not to assist them in facing the challenges and opportunities that China’s booming economy may entail in an era of globalisation.
4.4 Conclusion

This chapter has examined in detail how China is seen as an economic threat in Taiwan and the assumptions undergirding Taipei’s economic policy toward the mainland. It set out to investigate a paradoxical development of deepening economic exchanges and heightened political tensions in relations across the Taiwan Strait during the Lee and Chen eras. To prevent economic over-dependence on China, Taipei sought to control the scope and speed of cross-Strait economic interaction on the ground that, if not managed well, Beijing would acquire more economic leverage to exploit Taiwan’s vulnerability. Moreover, it was wary that an increasingly powerful China would be more prone to using force in dealing with the Taiwan issue. While some of the Taiwan government’s restrictions were relaxed or practically phased out by actual events, many were officially in place (such as the ban on direct trade and air links and the investment ceiling of projects in China) until the Ma administration took power in May 2008.

Despite all the restrictions, according to Taiwan’s official estimate, by mid-2007 China was the biggest recipient of Taiwan’s outward investment, which accounted for 55.38 percent of Taiwan’s accumulated FDI. Two-way trade across the Strait in 2006 totalled $88.12 billion, with Taiwan enjoying a $38.55 billion trade surplus. In addition, there are now more than 70,000 Taiwanese-invested firms in the mainland and it is estimated that more than one million Taiwanese reside there. Obviously, the Taiwan government’s efforts to restrict cross-Strait economic interactions were not as effective as it wished to be. As Chu Yun-han comments, ‘This is due to the fact that the state can only marginally modify private business decisions, much less control the economic consequences of its regulatory measures in an open economy. Thus, in the

133 Data available online at www.mac.gov.tw.
context of state versus market, the cumulative aggregate effects of private business decisions can divert the intended policy consequences’ or simply render them irrelevant through strategies of evasion.\textsuperscript{134} Moreover, globalisation has also increased the capital mobility that has fundamentally changed the terms on which private actors can engage the state.

More empirical support emerges every year to suggest that the political economy of state-business relations is a dynamic process of complex interactions in which multiple actors with different organisational characteristics and public-private connections interact with one another to produce a wide range of results.\textsuperscript{135} To the extent that state policies comply with dominant social institutions and interests, they might succeed. In the end, the state may be forced to adjust its policy to accommodate the economic \textit{fait accompli}. This in turn challenges realist state-centric assumptions that actions of private sector are necessarily in line with or subordinate to state preferences and that economic influence in an asymmetric relationship automatically translate into politico-military influence. In other words, the situation that neither side of the Taiwan Strait is capable of dictating the economic outcomes of their respective policies should have been seen as reassuring for Taipei in the face of the magnetic effects of China’s economy and its long-term consequences.

The continuation and intensification of Taipei’s restrictions on cross-Strait economic exchanges until mid-2008 thus requires alternative explanations which are not confined to the traditional focus on power and interdependence in the study of political economy. Drawing on the critical conception of foreign policy discussed in Chapter 1, this chapter has shown that the idea of relative gains underlying Taiwan’s economic policy with respect to the mainland illustrates more about the discursive

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\textsuperscript{134} Chu, ‘The Political Economy of Taiwan’s Mainland Policy’, p. 169.  \\
\textsuperscript{135} See, in particular, Tian, \textit{Government, Business, and the Politics of Interdependence and Conflict across the Taiwan Strait}; and Friedman, \textit{The World Is Flat}. \\
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constitution of a vulnerable Taiwan under Chinese economic threat than about the protection of Taiwan’s economic interests or the prospect of war and peace in the Taiwan Strait. The following chapter continues the exploration of Taiwanese perceptions of the ‘China threat’ by examining how China has come to be seen as a *political* threat in the wake of Taiwan’s democratisation.
Chapter 5. ‘Democratic Taiwan vs. Authoritarian China’: A Reflection on the (Mis)use of the ‘Democracy Card’ in Taiwan’s Foreign Policy

In this chapter I will argue that Taipei’s obsession with the ‘democratic card’ affirms my claim that Taiwan’s foreign policy is better understood as a political practice that works to differentiate between Taiwan from China. How ‘genuine’ democracy is in Taiwan, then, is highly dubious since it is a part of such a boundary-creating practice that does not pay much attention to the substance within the boundaries. In a nutshell, through framing China’s image as a threatening authoritarian state Taipei has also constructed an opposite image for Taiwan in its struggle for international recognition. This is to the extent that Taiwan’s new, democratic image has been frequently employed in its foreign policy conduct, even though this approach has thus far done little to dampen China’s diplomatic blockade.

The chapter has three aims: to trace the sorts of images successive administrations in Taipei have sought to project of Taiwan in the face of the diplomatic isolation imposed by the PRC; to investigate why Taiwanese leaders have utilised Taiwan’s new image—as a democratic, emerging ‘normal nation’ (zhengchang guojia)—to garner international sympathy and support; and to ponder the implications of doing so for the quality of policy formulation as well as Taiwan’s international standing.

The chapter argues that, by the end of the second Chen administration, the ‘marginal utility’ of Taipei’s use of the democracy card in its foreign policy conduct has greatly decreased. For one thing, a partnership of sorts between China and the United States has evolved since the mid-2000s in which Beijing relies on Washington to ensure that Taipei does nothing to push China up against the wall, which includes
joining inter-governmental organisations (IGOs) under the name ‘Taiwan’—a prerequisite for the pro-independence leadership. For another, Taiwan’s active participation in the Huntingtonian ‘democracy as civilisation’ trope to differentiate itself from China ironically determines its subaltern status, whose interests can be readily compromised by ‘mature’ democracies when dealing with China. In the final analysis, the strategy of defining Taiwan’s national image in almost total opposition to that of China reminds us of Michel Foucault’s analysis of ‘rationality’ being constructed through the exclusion of a range of activities designated as madness or abnormality.

5.1 Taiwan’s National Image Building: From ‘Model Province’ to ‘Normal Nation’

Taiwan’s image-building efforts as part of its exercise of soft power can be traced back to the Chiang Kai-shek era.¹ In the aftermath of the 1958 Quemoy crisis (where Mao Zedong ordered shelling to cut off supplies for this offshore island, which had heavy concentrations of ROC troops), Chiang under pressure from the United States jettisoned endeavours to ‘recover’ the Chinese mainland through military means. By redirecting government energies to transforming Taiwan into a ‘model province’, he hoped to build up a microcosm for a glorious future China: orderly, prosperous, and patriotic (meaning anti-communist). The Chinese people on the mainland would eventually recognise the virtues of the KMT party rule and overthrow the dictatorship of the CCP, welcoming the return of the Chiang family.

¹ Soft power is about the ability of a state to set the agenda of international politics and use its values to define not only world problems, but also define the range of solutions to these problems. Joseph S. Nye Jr., *Soft Power: The Means to Success in World Politics* (New York: Public Affairs, 2004), p. 7. Although Nye is now best known for the ‘soft power’ slogan, the idea can be readily found in Hans Morgenthau’s discussions on the elements of national power. Antonio Gramsci and Michel Foucault also conceive power in a similar way.
Therefore, when Mao was pushing for the Great Proletarian Cultural Revolution, Chiang directed the Chinese Culture Renaissance Movement in his ‘Free China’ for the international audience. Upholding the banner of anti-communism also reinforced Taiwan’s image of a staunch defender of the so-called ‘Free World’ against the expansion of the USSR-led socialist empire in the early 1960s. Chiang’s pipedream for turning Taiwan into a model Chinese province as his continual commitment to the reunification of China was also essential for maintaining his legitimacy in Taiwan, especially among those veterans and their families who fled to the island with the KMT after losing the Chinese civil war to the communists. In this regard, soft power works not only in international influence, but also has some bearings on the identity politics of national image in domestic politics.²

However, Chiang could not anticipate that Taiwan’s image built upon anti-communist ideology and the model province-cum-Free China discourse turned out to be devastating for Taipei’s international standing, especially after Henry Kissinger engineered the historic rapprochement between Washington and Beijing. The Sino-Soviet open confrontation created a window of opportunity for a US-PRC strategic alignment against the Kremlin, rendering KMT’s anti-communist appeal increasingly irrelevant and outdated.³ A more serious problem is that Taipei had locked itself into opposition with Beijing over the question of who is entitled to rule China. Indeed, Chiang was determined to live up to the KMT-projected image of a future unified China to the extent that, rather than accept the US proposal to table a ‘dual representation’ resolution which allows Beijing to hold the Security Council seat while Taipei remains in the General Assembly, he was willing to pay the price of

² This point has been made in William A. Callahan, ‘Worldview, National Image, and Soft Power: China’s Foreign Policy Discourse in the 21st Century’, unpublished manuscript.
losing Taipei’s seat in the UN altogether on the China representation issue.⁴ Hence Washington’s China policy automatically determined its Taiwan policy, as exemplified in the 1972 Shanghai communiqué in which Washington acknowledged the now familiar PRC claim that there is but one China and Taiwan is a part of it. Taipei’s ‘One China’ principle backfired when the KMT authorities was no longer considered appropriate for representing that one China. This is well captured in an episode with Greece, as related by Han Lih-wu, Taiwan’s ambassador to Greece from 1968 to 1972:

[T]he Greek Prime Minister told him [Ambassador Han] in 1970, “After the Greek government recognizes the Chinese Communist regime, if your honorable country is willing to indicate that your honorable country’s sovereignty is limited to the Taiwan region, perhaps Greece will consider continuing to recognize the Republic of China.”…… Taiwan’s government reacted negatively. It telephoned Ambassador Han and demanded that he tell the Greek Prime Minister that Taiwan “could not recognize that there are Two Chinas.” Two days later, Ambassador Han saw the Greek Prime Minister who first told him, “I gave this matter to the Foreign Ministry to study. I’m sorry but our country can only recognize one China.” Thus, Ambassador Han did not have a chance to deliver his message.⁵

The backlash of Taipei’s previously useful soft power was disastrous, which, ironically, together with Beijing’s own ‘One China’ principle had made Taiwan a world problem for the great powers until today. Throughout the 1970s, one witnessed the downfall of the ROC presence in the UN system (including its permanent member seat in the Security Council) and all related IGOs, and Taipei’s termination of diplomatic ties with all major industrialised democracies (these included Canada and Italy in 1970, Japan, West Germany, Australia and New Zealand in 1972, and,

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ultimately, the United States in 1979). In 1970 Taipei still managed to maintain diplomatic relations with 67 countries (54 with Beijing), but the number was down to 22 (117 for Beijing) by 1979.

The growing gap between Taiwan’s flagging international status and its image projected by Taipei was so huge that a new mode of security—both for Taiwan’s autonomous status and for the KMT regime’s staying in power—in a world increasingly willing to engage with the PRC was called for. From 1949 to 1987, Taiwan was under martial law, which imposed strict restrictions on civil rights and liberties. The island’s population suffered in and after the infamous ‘2/28 incident’ of 1947, where at least thousands of local residents were killed by mainland troops, as the KMT regime suspected that the Taiwanese uprising against its corrupted officials was instigated by the communists during the waning days of the Chinese civil war.

For the need of suppressing ‘communist bandits’, the political opposition was effectively silenced during the 1950s and 1960s. The KMT authorities prohibited the formation of new political parties, tightly controlled newspaper and broadcast licenses, and deliberately prosecuted dissident speech. After the ROC’s expulsion from the UN followed by the announcement of the Shanghai communiqué, Chiang Kai-shek decided to enlarge the scope of existing local elections to rescue his regime’s shaky

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6 France recognised the People’s Republic in 1964 as President Charles de Gaulle decided to assert his country’s independence of US Cold War framework. Taipei then chose to sever diplomatic relations with Paris on the ground that it opposed ‘Two Chinas’. Although the United Kingdom had recognised the CCP regime in 1950 mainly due to the Hong Kong question, London practiced a sort of ‘Two Chinas’ policy with its legation in Beijing headed by a chargé d’affaires and its consulate in Danshui attached to the KMT’s provincial government. Sino-British diplomatic relations were not upgraded to the ambassadorial level until 1972.

7 Chien-min Chao and Chih-chia Hsu, ‘China Isolates Taiwan’, in Friedman, China’s Rise, Taiwan’s Dilemmas and International Peace, pp. 41-67, at p. 57.

8 The underlying cause for the KMT was that the six million Taiwanese had been mentally ‘enslaved’ by the Japanese. See Tse-han Lai, Ramon H. Myers, and Wei Wou, A Tragic Beginning: The Taiwan Uprising of February 28, 1947 (Stanford: Stanford University Press, 1991), p. 5. See also Steven E. Phillips, Between Assimilation and Independence: The Taiwanese Encounter Nationalist China, 1945-1950 (Stanford: Stanford University Press, 2003), chap. 4. Those with close ties to the KMT government tend to claim lower figures for the dead and injured, whereas critics of Chiang’s regime insist on higher numbers.
legitimacy.

This approach was continued by his son, Chiang Ching-kuo, who became the premier in 1972 and eventually the president in 1978. It was against this backdrop that the movement for liberalisation and democratisation began to gain visibility in Taiwan. Keenly aware that anti-communist ideology could no longer provide a useful image for Taiwan, the younger Chiang maintained that ‘to be more anti-communist, we will have to become less anti-communist’. Known for his pragmatic character, Chiang Ching-kuo believed that ‘the only viable alternative…… was to make the Taiwanese regime powerful and legitimate through greater Taiwanization, through accelerated democratization, and through abandonment of the openly hostile policies against the mainland’.

Taiwan society is often depicted as consisting of four ethnic groups: Hoklos, Hakkas, Mainlanders (waishengren, literally ‘people from other provinces’, who arrived on the island after the defeat of Japan in 1945 and together with their offspring account for thirteen percent of the population of Taiwan), and Aborigines. The first three groups are ethnically Han Chinese, but only the first two are regarded as native Taiwanese (benshengren, who constitute about eighty-five percent of the island’s population). Unlike the generalissimo, Chiang Ching-kuo appointed more native Taiwanese technocrats to positions of leadership within the KMT and the government, including his hand-picked successor Lee Teng-hui. Chiang also rejected demands from hard-line KMT officials for a crackdown when the DPP was established before martial law was lifted, which arguably put Taiwan on the road to democratisation, or at least Taiwan’s political reforms at that time would not have followed their

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trajectory if he had not paved the way for them. Last but not least, during the precarious 1970s, Chiang launched the first of Taiwan’s post-war large-scale economic initiatives (i.e., the ‘Ten Major Development Projects’), which helped transformed Taiwan into a global economic power. Between 1970 and 1990, Taiwan’s GDP grew at about nine percent per year; the small island became the fifteenth largest trading nation, a world factory, and a top holder of foreign exchange reserves. Its remarkable economic performance propelled it firmly into the ranks of the Newly Industrialised Countries (NICs), making the once forgotten or even inconvenient ‘Free China’ again a model of success.

In addition to Taiwan’s widely lauded market-oriented economy and prosperity, the rise of the island’s success image began to be associated with its achievement of political democratisation following the end of the Cold War. As the first native Taiwanese president, Lee Teng-hui succeeded Chiang Ching-kuo after his death in 1988. Lee set three goals for himself: first, to democratise Taiwan; second, to push for the Taiwanisation/indigenisation (bentuhua) of the island’s politics; and, third, to strengthen Taiwan’s international status.

In 1991, Lee unilaterally declared an end to the Chinese civil war and terminated the symbolic ‘Period of National Mobilisation for the Suppression of the Communist Rebellion’. Accordingly, the National Assembly abolished the ‘Temporary Provisions Effective during the Period of the

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Communist Rebellion’, and a series of constitutional amendments followed these steps. By the mid 1990s, Taiwan had elected a new National Assembly and a new Legislative Yuan, which had been largely the KMT government’s rubber stamps since the 1940s because a sizeable portion of these institutions were frozen in office. The provincial governor and the mayors of Taipei and Kaohsiung had also been selected through direct elections. The number of political publications and organisations exploded, and illicit cable television and radio stations forced a further opening in the broadcast media.

Perhaps most significant (and dramatic), in March 1996, Taiwan held its first-ever direct presidential election while China was ‘testing’ its ballistic missiles in the waters near Taiwan, prompting the United States to dispatch two aircraft carrier battle groups to the vicinity of Taiwan—the largest deployment in the region since the Vietnam War. Lee as the KMT candidate won roughly fifty-four percent of popular vote. The heroic rise of a Taiwan electorate maturing in the face of China’s military threat then became Taiwan’s new national image; indeed, the title of ‘Mr. Democracy’ was bestowed upon Lee by the international media.16

But the overarching constraints on Taiwan’s international space imposed by the two Chiangs’ and the PRC’s ‘One China’ principle had yet to be addressed. In other words, it was unclear as to Taiwan’s preferred image in the international community in the post-Chiang era.17 Although Taipei had displayed some flexibility in its foreign policy conduct in the mid-1980s, those responses were more like ‘damage control’ rather than brand-new initiatives in Taiwan’s international relations.18 To escape from

18 Dennis Van Vranken Hickey, Taiwan’s Security in the Changing International System (Boulder: Lynne Rienner, 1997), p. 114. Taipei compromised on the subject of its national title as the ROC and sent a team to participate in the 1984 Olympics Game as ‘Chinese Taipei’. Likewise, in 1988 Taipei retained its full membership in the Asian Development Bank (ADB) under the nomenclature ‘Taipei, China’.
the straightjacket of the ‘One China’ principle, the Taiwan government under Lee’s leadership began to pursue ‘pragmatic diplomacy’ (wushi waijiao), whose ultimate goal is to cultivate a new framework within which the island country can be treated as a distinct and separate ‘political entity’ (zhengzhi shiti) or, as time goes on, sovereign state from the PRC.¹⁹ Taipei’s new approach specifically called for: ‘(1) the advancement and reinforcement of formal diplomatic ties; (2) the development of substantive relations with countries that do not maintain relations with Taiwan; and (3) admission or readmission to international organisations and activities vital to the country’s national interests’.²⁰ Unlike the two Chiangs, Lee was willing to develop all possible contacts, including diplomatic, economic, and cultural relations, with any countries, even though it had had diplomatic ties with Beijing, thereby laying the ground for ‘dual recognition’.

Viewed in this light, the hidden agenda in Lee’s declaring the end of the ‘Period of National Mobilisation for the Suppression of the Communist Rebellion’ became clear. By signifying its official recognition of Beijing’s rule of the Chinese mainland, Taipei had formally dropped its long-time sovereignty claim over the other side of the Taiwan Strait. But just as Taipei did not rule the Chinese mainland, Beijing did not rule Taiwan. Lee’s announcement effectively asserted that Taiwan was a political entity or state independent from the PRC. Contrary to Beijing’s ‘one country, two systems’ model that stipulated a central government-to-local government relationship as embodied in the mainland-Hong Kong relationship, the KMT government began to see cross-Strait relations as akin to that between North and South Korea or between East and West Germany—‘one country, two equal political entities’, ‘one divided

China’, or ‘two Chinas’ now while promising an eventual unification without a
definite timetable. It demanded equal international standing for the Republic of China
on Taiwan and the People’s Republic, leading to a push for ‘parallel representation’ as
practiced by the two Germanys and two Koreas in the UN (will be discussed in detail
below).

During Lee’s presidency (1988-2000), Taipei’s efforts to relieve the island from
the Beijing-imposed international isolation seemed to achieve some measure of
progress.21 It is not an exaggeration that, without the change of national image
following Taiwan’s democratisation, it would be a lot more difficult for Taipei to
translate its economic and trade prowess into concrete international influence that
helped it to win more international support and sympathy. Taiwan was no longer seen
as an ‘orphan’, ‘pariah’ or the home of cheap toys under a ‘repressive, martial law
regime fighting hopeless ideological battles’.22 On the contrary, as one senior
journalist observed, during the 1990s the new image of Taiwan represented in the
Western media was typically a ‘more tolerant and politically liberal state with a
world-class electronics industry, risk-taking entrepreneurs, and cash-rich financial
markets’.23 Lee’s ‘Mr. Democracy’ title was just indicative of such transformation.

Taiwan’s apparent achievement in democratisation was significant for Taipei and
the international audience in that the island evolved into a vibrant democracy with
very little civil disturbance or bloodshed, in sharp contrast to many countries which

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21 On how a diplomatically isolated state like Taiwan manages to promote itself in the international
community, see Gary D. Rawnsley, *Taiwan’s Informal Diplomacy and Propaganda* (New York: St.
Martin’s, 2000); Chen, *Foreign Policy of the New Taiwan*; and Wang, ‘Taiwan’s Foreign Relations
Cambridge University Press, 1990) offers a somewhat dated yet useful comparative study. Taipei’s total
diplomacy or *zongti waijiao*, which involved a multitude of civil society actors released or mobilised
by the process of democratisation, in a nutshell is not different from so-called public diplomacy since
Taiwan’s diplomatic approach has to be ‘unconventional’. See Jan Melissen (ed.), *The New Public

22 Julian Baum, ‘Taiwan and the Foreign Press: Exclamations and Ellipses’, paper presented at the
conference on ‘Democratization and International Relations of the Republic of China’, Taipei, Taiwan,

23 Ibid.
also started to democratise around the late 1980s—let alone the abortive attempt in the Tiananmen Square in 1989. At a time the strategic collaboration between Washington and Beijing had come to an end in the wake of the dissolution of the Soviet Union, Taiwan’s experience as the first liberal democracy in Chinese history—not just a fake Free China propaganda—appeared to offer a promising solution to all problems associated with Beijing’s authoritarian nature of governance, human rights’ violations, suppression of political dissidents, and the emergence of a maverick nationalism in China. Besides the global trend in favour of democracy and human rights that helped boost Taipei’s international respectability, growing emphasis on the notions of interdependence, multilateralism and geoeconomics rather than geopolitics were also conducive to Taiwan with its newly gained economic might and commercial value to other countries.

As a result, by the end of Lee’s presidency Taiwan’s international standing was relatively improved. Taipei had increased its number of diplomatic allies from twenty-two to twenty-eight, and had expanded its membership in IGOs from ten to sixteen. Despite the setback that Taiwan had also lost diplomatic recognition from its remaining ‘middle-power’ partners (Saudi Arabia in 1990, South Korea in 1992, and South Africa in 1997), the island’s capacity of establishing diplomatic relations with other countries signified that its national sovereignty as ‘the other China’ continued to receive full recognition from at least some members of international society, thereby legitimatising the ROC state in international politics. In fact, Lee was even able to visit seven countries that were not Taipei’s diplomatic allies in the disguise of ‘holiday’ or ‘academic exchange’; in 1995, he visited the United States

24 For discussions about China’s new nationalism, see Peter Hays Gries, China’s New Nationalism: Pride, Politics, and Diplomacy (Berkeley: University of California Press, 2004); and Christopher R. Hughes, Chinese Nationalism in the Global Era (London: Routledge, 2006).
with an invitation from his alma mater Cornell University, making his trip the first (and so far the only) US visit made by an incumbent ROC President in history. In terms of head of state diplomacy, a diplomatically isolated Taiwan became far more visible than an officially well-recognised Taiwan under Chiang Kai-shek, who never went abroad during his presidency (neither did Chiang Ching-kuo).

Nevertheless, permitting dual recognition (that is, Taipei’s willingness to entering into relations with other countries without asking them to first serve their diplomatic relations with Beijing) had done virtually nothing to benefit Taiwan, because the PRC still insisted that the ‘One China’ principle is the only rule of the game. All countries still have to choose sides between Taipei and Beijing, especially for those who wish to maintain or open relations with China. The frustration over a stubborn CCP and the desire to break away from the ‘One China’ straightjacket gradually led Taipei to question what exactly the term/entity ‘China’ means, and to reconsider the extent to which Taiwan should keep connection with that ambiguous China.

As early as 1994, Lee during an interview had described the KMT as an ‘alien’ regime and compared himself to Moses leading the Jews out of Egypt, although the KMT’s mainstream faction under Lee’s leadership mainly consisted of native Taiwanese. He began to speak of ‘Taiwan first’, ‘popular sovereignty lies with the people’, and ‘community of destiny’. For Lee, ‘The most important thing is that Taiwan must first achieve international recognition and status. The overall issues of China can be addressed afterward’. The watershed in this regard was Lee’s interview with the Deutsche Welle in July 1999, where he announced that cross-Strait

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27 Chen, *Foreign Policy of the New Taiwan*, pp. 37. Likewise, Lee’s long-time deputy Lien Chan (then Premier and Vice President) visited fifteen countries with which Taipei did not have diplomatic ties.
28 For the text of this interview (with Japanese writer Shiba Ryotaro), see ‘Sheng wei taiwansen de beiai’ (The Grief of Being Born a Taiwanese), *Independent Evening* (Taipei), 30 April-2 May, 1994.
29 Lee, *Taiwan de zhuzhang*, p. 78.
relations should be considered ‘special state-to-state relations’. The ROC on Taiwan and the PRC on the mainland are not just two ‘political entities’ under a vague ‘One China’ ceiling but in actuality separate independent states, albeit with special historical and cultural ties. Indeed, in 1997 Lee had gone so far as to assert that ‘Taiwan is an independent country, like Britain or France’.

The emergence of an official ‘normal nation’ image reached its first climax in March 2000, when the Kuomintang, having ruled Taiwan for half a century and beset by its deep-rooted problems of corruption, lost presidential power to the DPP’s Chen Shui-bian, who became the first non-KMT ROC President in history. For the domestic and international commentators, the peaceful power transfer from the KMT to the DPP was no less dramatic than Taiwan’s first presidential election in 1996. From an ‘alien’ regime to a ‘native’ one (the DPP is considered to be more native than the KMT, which possesses a mainland origin), the 2000 election indicated the completion of the historic mission of making the island country a polity in its own right.

As Shih Chih-yu observes, there are three dimensions to the significance of Taiwan’s purportedly last stage of democratic transition. First, the process of becoming native presupposes the existence of a Taiwan society to be emancipated from foreign and normally authoritarian control. President Chen’s and Vice President

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30 The text of this interview is available online at http://taiwansecurity.org/TS/SS-990709-Deutsche-Welle-Interview.htm. Lee’s announcement was largely an attempt to reduce the impact brought by President Bill Clinton’s enunciation of the ‘three no’s’ (no to Taiwan’s independence, no to ‘Two Chinas’ or ‘One China, One Taiwan’, and no to Taiwan’s membership in international organisations requiring statehood) in Shanghai, June 1998, which reinforced Beijing’s ‘One China’ claim. See Neng-Shan Lin, ‘The “Two-State” Theory: Perceptions and Policy Change’, paper presented at the North American Taiwan Studies Association Annual Conference, Madison, Wisconsin, 8-10 June, 2007. Ironically, Washington’s move was an effort to repair the damaged US-PRC relationship in the aftermath of the 1995-1996 Strait crises and Lee’s Cornell visit.

31 President Lee’s remark was again made in an interview with foreign journalists. Quoted from Hickey, Foreign Policy Making in Taiwan, p. 91.

32 See, inter alia, Shelley Rigger, From Opposition to Power: Taiwan’s Democratic Progressive Party (Boulder: Lynne Rienner, 2001).

Annette Lu’s past pro-independence history and experience of political imprisonment contributed to the feeling that the Taiwan electorate was finally mature and free.\textsuperscript{34} Given this sense of transformation, columnists celebrated the formation of a vibrant civil society and the arrival of democratic pluralism in Taiwan. They anticipated new standards, such as a robust rule-of-law system, coming out of an increasingly modern democracy after removing the KMT’s ‘black and gold politics’ associated with its lingering authoritarianism.\textsuperscript{35} These new standards, in turn, would be conducive to Taiwan’s social upward mobility, economic growth, and attractiveness to global investors. Last but not least, the accumulation of resolve to readily confront an alien, authoritarian regime (be it the KMT or the CCP) of Taiwanese constituency themselves manifested confidence among them in becoming independent and mature, like citizens of any other liberal-democratic, normal nation. A strong sense of subjectivity was registered in the voters’ choice of the native DPP, and a dichotomy of liberal democracy versus authoritarian communism (or native Taiwan versus alien China) began to take shape within and outside Taiwan.

The new DPP government lost no time in making use of its strengthened soft power derived from a more democratic, enlightened image of Taiwan to cultivate international support. When President Chen was given the Prize for Freedom from Liberal International in 2001 but could not attend the ceremony in person due to China’s pressure, his wife, Madame Wu Shu-chen, travelled to France to accept the award on his behalf. She also visited the Czech Republic at the invitation of the Czech first lady. Crippled in an alleged KMT assassination attempt while campaigning for

\textsuperscript{34} For example, see Richard C. Kagan, \textit{Chen Shui-bian: Building a Community and a Nation} (Taipei: Asia Pacific Academic Exchange Foundation, 2000).

Chen in 1985.\textsuperscript{36} Wu implied in her public appearances that Taiwan is similarly victimised by the brutal Chinese hegemony. She was well received not only in her trip to Europe but also during her 2002 trip to Washington (as the first native Taiwanese ROC First Lady to visit the US capital). While reaffirming Taipei’s unreserved support to the US war plan against Iraq,\textsuperscript{37} Wu reminded her host that Taipei had provided humanitarian assistance to Afghanistan after the ousting of the Taliban and that Taiwan would soon join the US in ‘boosting the democratic movement around the world in the future’.\textsuperscript{38} Moreover, she argued that it is wrong to exclude Taiwan from the UN and other IGOs because Taiwan is a democratic country and respects human rights.\textsuperscript{39}

On the basis of previous ‘total diplomacy’, the Chen administration initiated ‘people’s diplomacy’ (\textit{quanmin waijiao}) that aimed to involve individuals or citizens groups interact with the private citizens of other countries in trans-national or inter-societal networks.\textsuperscript{40} Emphasis was given to Taiwan’s non-governmental organisations (NGOs) which were believed to share the same agenda with the government and could link up with their counterparts in the global village, creating new networks to support Taiwan. The Ministry of Foreign Affairs (MOFA) set up the NGO Affairs Committee and provided subsidies to NGOs operating in the following four areas: promotion of democracy, human rights, and peace; humanitarian assistance

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\textsuperscript{36} Kagan, \textit{Chen Shui-bian}, p. 108. Despite the absence of evidence indicating that the KMT was involved in the car accident, the tragic story persists in international columnists’ description of Chen’s personal history.


\end{small}
and medical treatment; the welfare of women, children, handicapped, indigenous peoples, and social welfare in general; and environmental protection, conservation, and volunteer work.\textsuperscript{41} According to official statistics, by the end of 2005, Taiwanese had participated in the activities as many as 2,077 international NGOs.\textsuperscript{42} The Taiwan Foundation for Democracy (TFD), Asia’s first foundation dedicated to promoting democracy and human rights, was established in 2003 under the auspices of the MOFA. As a ‘NGO’, its primary concerns are Taiwan’s democratic consolidation, advocacy of democracy in Asia, and participation in the global democratic network.\textsuperscript{43} Through ‘people’s diplomacy’, Taipei intended to show that its efforts to expand Taiwan’s international living space as a normal nation were backed by the Taiwanese people as a whole (hence China’s obstruction to it only served to expose its own anti-democratic nature) and that its support for NGO activists in the fields of peace, sustainable development, public health, and social justice embodies Chen’s oath to make Taiwan ‘a nation built upon the principles of human rights’ (\textit{renquan liguo}).\textsuperscript{44}

A close look at the evolution of Taiwan’s ongoing attempts to return to the United Nations launched in 1993 is illustrative as to how Taiwan’s self-image has been changing and how Taipei has been cashing in on its soft power for seeking international recognition of national sovereignty. It will also show why, despite no prospect of entering the world body in the foreseeable future, Taiwan maintained and intensified its annual UN campaign until 2007. As will be discussed later, this has a lot to do with Taiwan’s national identity construction because the UN provides a perfect platform for Taipei to demonstrate the differences between Taiwan and China.

As Table 5.1 shows, from 1993 to 1999 the KMT government’s UN campaign

\textsuperscript{41} \textit{Taiwan Yearbook 2006}, ibid.
\textsuperscript{42} Ibid.
\textsuperscript{43} Taiwan Foundation for Democracy webpage: http://www.tfd.org.tw.
\textsuperscript{44} The creation of the National Museum of Human Rights Preparatory Office was another visible manifestation of this trend. In 2003, President Chen received the Human Rights Award from the International League of Human Rights.
adopted the model of ‘parallel representation’. This is in line with Taipei’s Guidelines for National Unification (GNU) issued in 1991, which maintains that neither side of the Strait should deny the other side is an equal political entity before ultimate unification is realised (hence both should enjoy equal rights to diplomatic representation). Taipei’s change of application name from ‘Republic of China in Taiwan’ into ‘Republic of China on Taiwan’ in 1995 also indicates its departure from the long-held ‘One China’ position.

The move toward ‘one divided China’ or ‘two Chinas’ still falls short of the DPP’s demand, whose party charter calls for ‘establishing an independent country in accordance with the reality of Taiwan’s sovereignty, enacting a new constitution… and returning to the international community based on principles of international law’. Since 2000, the DPP government’s drive for UN membership has sought to join the world body as a new state, conceptually separating Taiwan from China. It started to treat ‘Taiwan’ as a synonym for ‘the Republic of China’ in 2002, when Chen asserted that there is ‘one country on each side’ (yibian yiguo) of the Taiwan Strait. In 2007, Taipei for the first time applied for UN membership under the name ‘Taiwan’.

<p>| Table 5.1 Taiwan’s applications for UN membership, 1993-2007 |
|-----------------|----------------|-----------------|
| <strong>Year</strong> | <strong>Session</strong> | <strong>Title</strong> | <strong>Name of application</strong> | <strong>Mode of application</strong> |
| 46 | In 1999, the DPP National Congress passed the ‘Resolution Regarding Taiwan’s Future’, which recognises the Republic of China as Taiwan’s official title. It decided in 2001 that the 1999 Resolution is equal in status to the aforementioned Taiwan independence clause in its party charter. |</p>
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<thead>
<tr>
<th>Year</th>
<th>No.</th>
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<tr>
<td>1995</td>
<td>50</td>
<td>Consideration of the exceptional situation of the Republic of China on Taiwan in the international context, based on the principle of universality and in accordance with the established model of parallel representation of divided countries at the United Nations. Republic of China on Taiwan. Parallel representation.</td>
</tr>
<tr>
<td>1996</td>
<td>51</td>
<td>Consideration of the exceptional situation of the inability, resulting from General Assembly resolution 2758 (XXVI), of the 21.3 million people on Taiwan, Republic of China, to participate in the activities of the United Nations. Republic of China on Taiwan. Parallel representation.</td>
</tr>
<tr>
<td>1997</td>
<td>52</td>
<td>Need to review General Assembly resolution 2758 (XXVI) of 25 October 1971 owing to the fundamental change in the international situation and to the coexistence of the two Governments across the Taiwan Strait. Republic of China on Taiwan. Parallel representation.</td>
</tr>
<tr>
<td>1998</td>
<td>53</td>
<td>Need to review General Assembly resolution 2758 (XXVI) of 25 October 1971 owing to the fundamental change in the international situation and to the coexistence of the two Governments across the Taiwan Strait. Republic of China on Taiwan. Parallel representation.</td>
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<tr>
<td>1999</td>
<td>54</td>
<td>Need to examine the exceptional international situation pertaining to the Republic of China on Taiwan, to ensure that the fundamental right of its twenty-two million people to participate in the work and activities of the United Nations is fully respected. Republic of China on Taiwan. Parallel representation.</td>
</tr>
<tr>
<td>2000</td>
<td>55</td>
<td>Need to examine the exceptional international situation pertaining to the Republic of China on Taiwan, to ensure that the fundamental right of its twenty-three million people to participate in the work and activities of the United Nations is fully respected. Republic of China on Taiwan. New state.</td>
</tr>
<tr>
<td>2001</td>
<td>56</td>
<td>Need to examine the exceptional international situation pertaining to the Republic of China on Taiwan, to ensure that the fundamental right of its twenty-three million people to participate in the work and activities of the United Nations is fully respected. Republic of China on Taiwan. New state.</td>
</tr>
</tbody>
</table>
2002 57  Question of the representation of the Republic of China (Taiwan) in the United Nations  Republic of China (Taiwan)  New state

2003 58  Question of the representation of the Republic of China (Taiwan) in the United Nations  Republic of China (Taiwan)  New state

2004 59  Question of the representation of the twenty-three million people of Taiwan in the United Nations  Republic of China (Taiwan)  New state

2005 60  Question of the representation of the twenty-three million people of Taiwan in the United Nations  Republic of China (Taiwan)  New state

2006 61  Question of the representation and participation of the twenty-three million people of Taiwan in the United Nations  Republic of China (Taiwan)  New state

2007 62  Urging the Security Council to process Taiwan’s membership application pursuant to rules 59 and 60 of the provisional rules of procedure of the Security Council and Article 4 of the Charter of the United Nations  Taiwan  New state

Sources: Data prior to 2003 are from T.Y. Wang, 'Taiwan’s Bid for UN Membership’, in Friedman, China’s Rise, Taiwan’s Dilemmas and International Peace, pp. 176-77; Ministry of Foreign Affairs webpage http://www.mofa.gov.tw.

Table 5.2 shows that democracy, human rights, and peace have been the most prominent themes in Taipei’s justifications of its UN campaign. While the KMT government had used historical precedents to urge the General Assembly to face the fait accompli of the division of China as well as paid lip service to Beijing regarding Taiwan’s eventual unification with the Chinese mainland, this component disappeared after political power was transferred to the DPP in 2000. Since then Taipei has concentrated on highlighting the elements that make Taiwan ‘totally distinct from the PRC’. Among them is an assertion that, contrary to Beijing’s claim that it is the sole legitimate government representing the whole of China, including the ‘province’ of Taiwan, the CCP regime has never exercised any control or jurisdiction over Taiwan (not does it receive the island’s popular consent to do so); only the democratically elected government in Taiwan can represent the interest and wishes of the people there in the UN.

Citing the 1948 Universal Declaration of Human Rights (UDHR), Taipei has also
depicted its UN bid as a human rights issue. According to the UDHR (Article 2), ‘Everyone is entitled to all the rights and freedoms set forth in this Declaration…… Furthermore, no distinction shall be made on the basis of the political jurisdictional or international status of the country or territory to which a person belongs’. Therefore, when the DPP government intensified its membership campaign in 2005, it designed a poster which shows a family reunion with one family member missing, carrying the caption ‘UN Happy 60th birthday’. By this Taipei implied that it is unfair to exclude Taiwan, a legitimate member with twenty-three million people, from the UN system.48

In addition to its traditional lobbying for UN entry, the 2005 campaign requested then-UN Secretary-General Kofi Annan to appoint an envoy or task force to look into cross-Strait tension, considering China’s growing military power and the enactment of the ‘Anti-Secession Law’ in March 2005. It also requested Annan to encourage and assist the two sides to engage in peaceful dialogue and exchanges.49 Calling for the United Nations to play a proactive role in maintaining peace in the Taiwan Strait underscored Taipei’s claim that the island country is a ‘free and peace-loving state’, while elevating Taiwan’s status vis-à-vis China to a ‘normal’ state-to-state relationship (hence then-Foreign Minister Mark Chen used the example of India and Pakistan to illustrate the desirability of the UN’s mediation).50

The draft resolution submitted by Taipei’s diplomatic allies in the General Assembly on the issue of Taiwan’s representation in the UN system embodies the intersection between Taiwan’s democratic image and its quest for international recognition through joining the world body:

[T]he democratically elected Government in Taiwan is the sole legitimate Government

48 Elizabeth Freund Larus, ‘Taiwan’s Quest for International Recognition’, Issues & Studies, 42:2 (2006), p. 36. Likewise, Taiwan’s 2007 UN poster described its exclusion as ‘political apartheid’, carrying the subtitle ‘A vital life should not be limited, a democratic nation not isolated’.

49 ‘UN Urged to Help Taiwan, China Ease Tension’, Associated Press, 13 August, 2005.

50 ‘Taiwan’s UN Bid to Highlight New Theme of Peace’, Taiwan News, 10 August, 2005.
that can represent the Republic of China (Taiwan) and the people of Taiwan in the United Nations…... [T]he people of Taiwan and their elected leaders are committed to the universal values of democracy, freedom, and human rights, as well as to the enhancement of international cooperation in economic, social, and cultural development and humanitarian assistance……. [T]he participation of Taiwan in the United Nations would contribute significantly to the maintenance of international peace and security in [the Asia and Pacific] region through preventive diplomacy.\(^{51}\)

<table>
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<tr>
<th>Year</th>
<th>Session</th>
<th>Justifications</th>
<th>Objectives</th>
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| 1993 | 48      | 1. The ROC in Taiwan continued to exist as an independent political entity and was not annexed by the PRC  
2. Resolution 2758 was over-simplistic and had adverse consequences for the ROC in Taiwan  
3. The ROC in Taiwan is a dynamic and progressive member of the international community and a peace-loving country  
4. The recognition by the UN of the rights of the ROC in Taiwan would be consistent with the principles of universality and the equality of States before the law  
5. [ROC’s UN membership] would promote the final reunification of the Chinese nation into a single legal and political entity | An ad hoc committee to be established by the UN to analyze comprehensively all aspects of the exceptional situation and make appropriate recommendations to the General Assembly |
| 1994 | 49      | 1. Resolution 2758 deprives 21 million people under the jurisdiction of the ROC in Taiwan of representation in the UN  
2. The ROC in Taiwan is an independent political and legal entity with a democratic system of government and its own institutions, laws and security and defence arrangements; all these elements make it totally distinct from the PRC  
3. There are precedents for parallel representation of divided countries [and they do] not impede the eventual unification of the parties involved  
4. The recognition by the UN of the rights the ROC in Taiwan would be consistent with the principles of universality and the equality of States before the law | An ad hoc committee to be established by the UN to analyze comprehensively all aspects of the exceptional situation and make appropriate recommendations to the General Assembly |
| 1995 | 50      | 1. Resolution 2758 deprives 21 million people under the jurisdiction of the ROC in Taiwan of representation in the UN  
2. The ROC in Taiwan is an independent political and legal entity with a democratic system of government and its own institutions, | An ad hoc committee to be established by the UN to analyze comprehensively all aspects of the exceptional situation and make appropriate |

\(^{51}\) UN General Assembly proposal A/60/192 + Add.1, ‘Request for the inclusion of a supplementary item in the agenda of the sixtieth session: Question of the representation of the twenty-three million people of Taiwan in the United Nations’, 11 August, 2005.
laws and security and defence arrangements; all these elements make it totally distinct from the PRC.
3. There are precedents for parallel representation of divided countries and they do not impede the eventual unification of the parties involved.
4. The recognition by the UN of the rights the ROC in Taiwan would be consistent with the principles of universality and the equality of States before the law.

1996 51
1. Resolution 2758 excluded the ROC on Taiwan from the UN.
2. The infringement of the fundamental rights of the 21.3 million people under the jurisdiction of the ROC on Taiwan violates the spirit of the Universal Declaration of Human Rights.
3. The ROC on Taiwan has an elected government, a defined territory, and population. All these elements distinguish the ROC on Taiwan from the PRC on the Chinese mainland.
4. There are precedents for parallel representation of divided nations.
5. Parallel representation will be beneficial to the peaceful resolution of the issue of the reunification of China.
6. There are precedents for the General Assembly to review its own resolutions.

1997 52
1. Two Governments have been coexisting within China for nearly half a century, which is unique in the international community.
2. Resolution 2758 (XXVI), whereby the ROC on Taiwan was excluded from the UN, violates the spirit of the Universal Declaration of Human Rights.
3. The ROC on Taiwan fully meets the requirements for UN membership, yet is excluded from the UN. This disadvantage, a highly unusual situation, should be redressed by the UN.
4. Parallel participation in the UN by the two sides of the Taiwan Strait would be conducive to regional security and world peace.
5. Full participation of the ROC on Taiwan in the UN is a vital issue affecting the integrity of the UN and its viability in the twenty-first century.
6. The General Assembly’s review of its own resolutions is not without precedent.
7. The General Assembly should re-examine the deficiencies of resolution 2758 (XXVI) in order to restore promptly to the 21.5 million people of the ROC on Taiwan the lawful right to participate in all activities within the UN system.

1998 53
1. Since the division of China almost half a

To revoke the part of the decisions contained in its resolution 2758 (XXVI) excluding the ROC on Taiwan from the UN, and to restore to the people and the Government of the ROC on Taiwan all their lawful rights at the UN and in all the organisations related to it.
<table>
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<tr>
<th>Year</th>
<th>Page</th>
<th>Text</th>
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</table>
| 1999 | 54   | 1. Each side of the Taiwan Strait has been ruled by a distinct and separate Government since 1949  
2. The General Assembly of the UN adopted resolution 2758 (XXVI) in 1971 to confer UN membership upon the PRC. The resolution, however, did not address the issue of representation in the UN for the people of the ROC on Taiwan  
3. The ROC, a country with significant achievements, is a constructive and responsible member of the international community  
4. The ROC is a free and democratic country. The UN should consider with an open mind the appeal of its twenty-two million people for their own representation in the Organisation  
5. The participation of the ROC on Taiwan in the UN poses no barrier to the future peaceful and democratic unification of a divided China; indeed, it can be conducive to regional peace and security  
6. The UN General Assembly should act to ensure that the voice of the twenty-two million people on Taiwan is heard in the UN and its related organisations |
| 2000 | 55   | 1. The ROC is a democratic country and its democratically elected Government is the sole legitimate one that can actually represent the interests and wishes of the people of Taiwan in the UN  
2. The exclusion of the ROC from the UN and its related agencies has created a major and serious obstacle for both the Government and the people of the ROC in their pursuit of normal participation in international organisations and activities |

A working group to be established by the UN with the mandate of examining thoroughly the exceptional international situation pertaining to the ROC on Taiwan and make appropriate recommendations for an equitable and practical solution to the question of the participation of the ROC in the UN.
<table>
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<tr>
<th>Year</th>
<th>Number</th>
<th>Notes</th>
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<tbody>
<tr>
<td>2001</td>
<td>56</td>
<td>The ROC is a democratic country and its democratically elected Government is the sole legitimate one that can actually represent the interests and wishes of the people of Taiwan in the UN. The exclusion of the ROC from the UN and its related agencies has created a major and serious obstacle for both the Government and the people of the ROC in their pursuit of their fundamental right to participation in international organisations and activities. The ROC, a country with significant achievements, is a constructive and responsible member of the international community. The UN should take note of the recent conciliatory gestures of the ROC toward the PRC and play a facilitating role by providing a forum for their reconciliation and rapprochement. In the world of increasing globalisation, the General Assembly should act to ensure that the voice of the twenty-three million people on Taiwan is heard in the UN and its related organisations. A working group to be established by the UN with the mandate of examining thoroughly the exceptional international situation pertaining to the ROC on Taiwan and make appropriate recommendations for an equitable and practical solution to the question of the participation of the ROC in the UN.</td>
</tr>
<tr>
<td>2002</td>
<td>57</td>
<td>The ROC (Taiwan) is a free and peace-loving state, and its democratically elected Government is the sole legitimate one that can actually represent the interests and wishes of the people of Taiwan in the UN. Universality is a fundamental principle of the UN. General Assembly resolution 2758 (XXVI) has not resolved the issues of the representation of Taiwan. The ROC (Taiwan) is a sovereign state and a constructive member of the international community. Taiwan’s exclusion from the UN constitutes the participation of the ROC in the UN. To recognise the right of the twenty-three million people of the ROC on Taiwan to representation in the UN system and to take appropriate measures to implement this resolution.</td>
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<tr>
<td>Year</td>
<td>No.</td>
<td>Points</td>
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| 2003 | 58  | 1. The ROC (Taiwan) is a free and peace-loving state, and its democratically elected Government is the sole legitimate one that can actually represent the interests and wishes of the people of Taiwan in the UN  
2. Universality is one of the fundamental principles of the UN  
3. General Assembly resolution 2758 (XXVI) has not resolved the issues of the representation of Taiwan  
4. The ROC (Taiwan) is a sovereign state and a constructive member of the international community  
5. Taiwan’s exclusion from the UN constitutes discrimination against its people, depriving them of their fundamental human rights to benefit from and contribute to the work of the UN  
6. Taiwan has carried out all UN Charter obligations, and will continue to do so  
7. Taiwan’s participation in the UN will help maintain peace, prosperity and stability in Asia and the Pacific  
8. The representation of the ROC on Taiwan in the UN will contribute to the common interests of all humankind | To recognise the right of the twenty-three million people of the ROC on Taiwan to representation in the UN system and to take appropriate measures to implement this resolution |
| 2004 | 59  | 1. The ROC (Taiwan) is a free and peace-loving sovereign State, and its democratically elected Government is the sole legitimate government that can represent the interests and wishes of the people of Taiwan in the UN  
2. Universality is a core principle of the UN  
3. General Assembly resolution 2758 (XXVI) has not resolved the issue of the representation of the people of Taiwan  
4. The ROC (Taiwan) is a sovereign State and a constructive member of the international community  
5. Taiwan is a vibrant democratic society and an active international partner  
6. Taiwan’s exclusion from the UN constitutes discrimination against its people, depriving them of their fundamental human rights to benefit from and contribute to the work of the UN | To recognise the right of the twenty-three million people of Taiwan to representation in the UN system and to take appropriate measures to implement this resolution |
<table>
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<tr>
<th>Year</th>
<th>No.</th>
<th>Statements</th>
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</table>
| 2005 | 60  | 1. The ROC (Taiwan) is a free and peace-loving sovereign State, and its democratically elected Government is the sole legitimate government that can represent the interests and wishes of the people of Taiwan in the UN  
2. Universality is a core principle of the UN  
3. General Assembly resolution 2758 (XXVI) has not resolved the issue of the representation of the people of Taiwan  
4. The ROC (Taiwan) is a sovereign State and a constructive member of the international community  
5. Taiwan is a vibrant democratic society and an active international partner  
6. Taiwan’s exclusion from the UN constitutes discrimination against its people, depriving them of their fundamental human rights to benefit from and contribute to the work of the UN  
7. Taiwan’s long-standing commitment to the Charter of the UN and international law and co-operation  
8. Taiwan’s participation in the UN will help maintain peace, prosperity and stability in Asia and the Pacific  
9. The representation of the ROC (Taiwan) in the UN will benefit all humankind | To recognise the right of the twenty-three million people of Taiwan to representation in the UN system and to take appropriate measures to implement this resolution |
| 2006 | 61  | 1. The ROC (Taiwan) is a free and peace-loving sovereign State, and its democratically elected Government is the sole legitimate government that can represent the interests and wishes of the people of Taiwan in the UN  
2. Universality is a core principle of the UN  
3. General Assembly resolution 2758 (XXVI) has not resolved the issue of the representation of the people of Taiwan  
4. Taiwan is a sovereign State and a constructive member of the international community  
5. Taiwan is a vibrant democratic society and an active international partner  
6. Taiwan’s exclusion from the UN constitutes discrimination against its people, depriving them of their fundamental human rights to benefit from and contribute to the work of the UN  
7. Taiwan’s long-standing commitment to the Charter of the UN and international law and co-operation  
8. As a nation founded on human rights, | To recognise the right of the twenty-three million people of Taiwan to representation in the UN system and invite Taiwan’s representative to participate in the meetings and activities of the UN and its related agencies, and to take appropriate measures to implement this resolution |
Taiwan’s participation in the UN would help to achieve the universality of human rights
9. Taiwan’s participation in the UN will help maintain peace, prosperity and stability in Asia and the Pacific
10. The representation of Taiwan in the UN will benefit all humankind

<table>
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<tr>
<th>2007</th>
<th>62</th>
</tr>
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<tbody>
<tr>
<td>1. Taiwan is a free and peace-loving sovereign State, and its democratically elected Government is the sole legitimate government that can represent the interests and wishes of the people of Taiwan in the UN</td>
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<tr>
<td>2. Taiwan is entitled to UN membership and a constructive member of the international community</td>
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<tr>
<td>3. Taiwan has never been a local government or province of the People’s Republic of China</td>
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<tr>
<td>4. General Assembly resolution 2758 (XXVI) did not resolve the issue of the representation of the twenty-three million people of Taiwan in the UN</td>
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To urge the Security Council to process Taiwan’s membership application pursuant to rules 59 and 60 of the provisional rules of procedure of the Security Council and Article 4 of the Charter of the UN

Sources: Data prior to 2003 are from Wang, ‘Taiwan’s Bid for UN Membership’, pp. 179-83; Ministry of Foreign Affairs webpage http://www.mofa.gov.tw.

Although Taiwan’s UN bid has not been successful (and is unlikely to be so in the foreseeable future given China’s veto power in the Security Council), its case for some seems to be gaining momentum. In 2005, for instance, the General Committee allowed a two-on-two debate session between Taiwan’s allies the Gambia and Chad against China and Pakistan, which took place for almost an hour, the longest time spent on any of the 158 items on the list. In 2004, French and UK representatives to the UN had also registered their approval of Taiwan’s democratisation as well as cross-Strait differences being resolved through dialogue. Obviously these remarks did not amount to actual support for Taiwan’s UN entry, but for some observers they were at least an indication that ‘these two democratic powers

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52 Article 4 of the UN Charter stipulates that ‘The admission of any such state to membership in the United Nations will be effected by a decision of the General Assembly upon the recommendation of the Security Council’ as a matter of ‘important question’ (Section 3 of Article 27).
53 Larus, ‘Taiwan’s Quest for International Recognition’, p. 36. Ironically, Chad switched its diplomatic recognition from Taipei to Beijing in 2006.
recognize Taiwan as a member of the democratic club’.

In short, Taiwan’s UN membership application is useful to highlight the differences between Taiwan and China in terms of their democratic-ness; it also creates the impression that the former belongs to a group for which the latter can only be an outsider. The following section will specifically consider why Taipei relies on the democracy card in its foreign policy conduct as a means to consolidate Taiwan’s identity.

5.2 ‘Democracy as Civilisation’

To understand the role of the democracy card in Taiwan’s foreign policy, Samuel Huntington’s works are of particular relevance to the purpose of this section. Indeed, Huntington is probably the best-known political scientist who has long been working through (and skilfully linking together) the themes of Third World states’ modernisation and development, democratic transition and democratic consolidation, and, above all, the local cultural conditions unfavourable to such transformation and their disturbing implications for the order and stability of political life—domestically and internationally. Contrary to the earlier modernisation and development theorists who posited that Third World states would naturally evolve into developed First World states so long as they avail themselves of the free market, Huntington rejected the assumption that all good things go together (such as economic growth, balanced distribution, democracy, political stability, national autonomy, and so forth). To account for the overall failure of Third World states without yielding to the dependency theorists’ claims that it is precisely that globalised capitalist marketplace that has structurally and permanently locked those countries into an underdeveloped

55 Larus, ‘Taiwan’s Quest for International Recognition’, p. 41.
he believed that it is imperative to identify and examine local institutional and cultural reasons for 'underdevelopment'.

In line with this thinking, Huntington urged that the study of democratisation in the post-Cold War era should not focus on democratic enlargement but on how countries that had recently made the transition to democracy would solidify and secure their new political regimes. In order for democracy to be treated as 'the only game in town' by all elites, political organisations and the mass public, democratisation theorists generally agree that the tasks of consolidating democracies include both institutional and attitudinal components. And the internalisation of those common rules and procedures of political competition and action involves the cultivation of democratic culture.

However, if the country in question has another value system, different from that of those 'first-wave' democracies in Europe and North America, does it imply that there exists another version of democracy as well? Ever since the interview with Lee Kuan Yew of Singapore on the journal *Foreign Affairs* in 1994, the significance of


the aforementioned question has manifested itself in various debates over the complicated relationship between ‘Asian Values’ (Confucianism in particular) and the ideas of liberal democracy. Despite Lee’s citing communitarianism to support his claim that Confucianism presents a more suitable cultural basis for East Asian countries on which an alternative political system (i.e., ‘Confucian democracy’) can be articulated, Lee’s argument for ‘Asian Values’ is not readily identical with the communitarian tradition in Western political theory, which is critical of the individualistic assumptions of liberalism but does not reject other aspects of liberal democracy (including free and popular election). Therefore, the question remains as to whether and how far Confucian ideas are antithetical to or insufficient for the building of Western-style democracies in East Asia.

For Huntington, ‘Confucian democracy’ is no more than an oxymoron and societies influenced by Confucian culture are not proper places for democratic politics. Hence ‘China’s Confucian heritage, with its emphasis on authority, order, hierarchy, and the supremacy of the collectivity over the individual, creates obstacles to democratization’. Lee Teng-hui, in a speech in 2005, similarly explained that ‘Asian Values’ do not become a major ‘stumbling block’ on Taiwan’s path to full democracy because ‘the influence of Confucian traditions is not entrenched enough to create this problem’. In the summer of 1995, the verbal exchange of fire among

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In fact, Huntington’s books were quoted twice in this speech. The text of Lee’s speech ‘Taiwan’s Path to Democracy’ at the National Press Club in Washington, D. C. is available online at [http://taiwansecurity.org/News/2005/NPC-201005.htm](http://taiwansecurity.org/News/2005/NPC-201005.htm). Curiously, a decade ago Lee had described Taiwan as ‘the inheritor of Confucian thought’ and had identified roots of Taiwan’s democratisation in
democratisation theorists and Asian politicians over the issue of ‘Asian Values’ reached a peak in a Taipei-sponsored international conference, where Huntington stood against Lee Kuan Yew in support of his host. In that same conference, Francis Fukuyama was quoted by the local media as saying that Lee Teng-hui’s ‘opening of history’ was on the side of freedom, whereas Lee Kuan Yew was on the side of dictatorship. The debate later proliferated into one over the relationship between ‘Asian Values’ and human rights, and political scientists have been busy using survey data to test the hypotheses generated from these debates.

One may question with considerable justification how incompatible Confucian political culture really is with liberal democracy, and how solid the implications are which can be drawn from the interrelation between a society’s Confucian traditions and its propensity toward democratisation; however, that is not the point in relation its Chinese cultural heritage. See Teng-hui Lee, ‘Chinese Culture and Political Renewal’, Journal of Democracy, 6:4 (1995), at pp. 6-8. Instead of jumping to the conclusion that his 1995 essay and 2005 speech are opposed to one another, as will be illustrated below, it is important to recognise that these pieces bring out the ways in which they complement Lee’s larger project and his effort to assimilate cultural difference inside Taiwan on the one hand to and associate Taiwan with Western democracies on the other.

Quoted from Chih-yu Shih, Democracy (Made in Taiwan): The ‘Success’ State as a Political Theory (Lanham: Lexington Books, 2007), p. 164, n. 10. Lee Teng-hui too had reportedly called Lee Kuan Yew a dictator, who was a strong supporter of Taiwan during the two Chiangs era. The result of the conference is presented in Larry Diamond et al. (eds.), Consolidating the Third Wave Democracies: Themes and Perspectives (Baltimore: Johns Hopkins University Press, 1997).


Using Ronald Inglehart’s World Values Survey data for calculating the scores of Confucianism among four East Asian countries, Yeau-Tarn Lee and Chang-yen Tsai argue that the identified pattern that ‘the higher the influence of Confucianism on a society is, the later the democratisation of that society comes about’ is not a coincidence. Yet the same finding reveals that South Korea’s and Taiwan’s scores (256.41 and 265.94, respectively) are so close to those of China’s (267.71) that the
to understanding Huntington’s larger project. Likewise, Huntington’s well-known ‘clash of civilisations’ thesis can be, and has been, disputed on the grounds that civilisational identity tends to be blurred in its border zones,\(^\text{71}\) that civilisations (be they the ‘Western’ or ‘Confucian’) are neither unitary nor cohesive,\(^\text{72}\) and that the historical record of inter-civilisational relations has not solely been one of conflict,\(^\text{73}\) but the significance of his ‘cultural realism’ to the interpretation of Taiwan’s foreign policy cannot be over-emphasised.

To appreciate the interplay of Huntington’s discourses on modernisation, democratisation and civilisational clash as a driving force behind Taipei’s strategic calculus, one has to read between the lines. In so doing, it becomes clear why Huntington points to Islamic societies’ overall underdevelopment while identifying the ‘Islamic threat’ to the Western civilisation:

The [Islamic] Resurgence will have shown that “Islam is the solution” to the problems of morality, identity, meaning, and faith, but not to the problems of social injustice, political repression, economic backwardness, and military weakness. These failures could generate widespread disillusionment with political Islam, a reaction against it, and a search for alternative “solutions” to these problems. Conceivably even more intensely anti-Western nationalisms could emerge, blaming the West for failures of Islam.\(^\text{74}\)

On the other hand, China’s economic growth may represent an ‘Asian model’ for reader is left wondering as to why only China ‘remains on the list of non-democracy’. Lee and Tsai, ‘From a Consolidated Democracy to a Deepening Democracy’, p. 22.


\(^\text{74}\) Huntington, *The Clash of Civilizations and the Remaking of World Order*, p. 121.
development; nevertheless, as the ‘core state’ of a Confucian civilisation whose
cultural traditions are allegedly in favour of authoritarianism, Huntington considers it
another major threat to the West (hence the proposition of the existence of a
‘Confucian-Islamic connection’).\textsuperscript{75}

Two points are worth noting here. First, although Huntington had acknowledged
Edward Said’s critique of the dualistic, essentialist way of political representations
and had admitted that neither the West nor the non-West can be said to be unitary,\textsuperscript{76}
the end result of his project and his emphasis on conflict reinforce the ‘two worlds’
dichotomy that he had dismissed as too simplistic. While rejecting the ‘core versus
periphery’ and ‘zones of peace versus zones of turmoil’ models,\textsuperscript{77} he concurs with
their ‘us/them’ rhetoric, maintaining that ‘People are always tempted to divide people
into us and them, the in-group and the other, our civilization and those barbarians’.\textsuperscript{78}
Moreover, Huntington insists, ‘We know who we are only when we know who we are
not and often when we know whom we are against’.\textsuperscript{79} For him, there are multiple
non-Wests, multiple Others, but they are still framed within a binary opposition
because there is only one West (under the leadership of the US) united against the
threat of all others. ‘In the clash of civilizations, Europe and America will hang
together or hang separately’.\textsuperscript{80} His earlier contentions and this division of the ‘West
and the rest’ taken as a whole, Huntington re-inscribes a familiar distinction between
the developed, democratic, civilised West and its acolytes and the backward,

\textsuperscript{75} Ibid., p. 185. But see Kishore Mahbubani, ‘The Dangers of Decadence’, \textit{Foreign Affairs}, 72:4
\textsuperscript{76} Huntington, \textit{The Clash of Civilizations and the Remaking of World Order}, p. 33. The authority
\textsuperscript{77} James M. Goldgeier and Michael McFaul, ‘A Tale of Two Worlds: Core and Periphery in the
Wildavsky, \textit{The Real World Order: Zones of Peace and Zones of Turmoil} (Chatham: Chatham House,
1993).
\textsuperscript{78} Huntington, \textit{The Clash of Civilizations and the Remaking of World Order}, p. 32.
\textsuperscript{79} Ibid., p. 21.
\textsuperscript{80} Ibid., p. 321.
authoritarian, barbaric periphery. Indeed, I would argue that this colonial trope fills a crucial void in understanding the ‘democratic peace theory’ in the IR literature: In representing world politics into realms of peace and realms of violence, democratic-peace proponents have by far attributed the impressive record of nearly no single instance of war between any two ‘constitutionally secure’ (i.e., ‘mature’) liberal democracies to some institutional and normative constraints, without being conscious of the tenor of their diagnoses.\(^81\)

Contrary to Huntington’s claim that ‘In the politics of civilizations, the peoples and governments of non-Western civilizations no longer remain the objects of history as targets of Western colonialism but join the West as the movers and shapers of history’,\(^82\) it should be stressed that, given his dualistic worldview, only the West is in fact depicted as the truly ‘rational’ and ‘civilised’ civilisation. The only agency Huntington grants non-Western civilisations is the destabilising agency of cultural difference, but this point is often left out by his critics—some even view being cast as a threat to the West as something positive, in the sense that their civilisation is finally recognised as equal to its Western counterpart.\(^83\)

The second, and related, point is about how to deal with those external threats Huntington identifies. In the case of China, his exhortation to official US foreign policy circles is in line with that of the containment school, which sees China as a clear and present threat to the United States following the demise of the Soviet Union.\(^84\) For the China threat to appear credible, Taiwan’s democratisation becomes


\(^84\) Needless to say, the ‘containment vs. engagement’ divide is better understood as a continuum rather
particularly useful for strategists both in Washington and Taipei. If Taiwan is considered a Western type of democracy, Beijing’s threat to the island would no longer imply a resumption of the Chinese civil war (in which Washington and its allies would not have enough legitimacy to intervene on Taipei’s behalf) but amount to a threat to the West and, by extension, Japan.\footnote{Shih, ‘The Global Constitution of “Taiwan Democracy”’, pp. 29-30.}

As Lee Teng-hui put it, whether Taiwan can further consolidate its young democracy deserves democratic countries’ close attention and support, because ‘the strengthening of Taiwan’s democracy is an important link in the democratic front line of defense in the Asia Pacific region. Once this line is broken, it will be devastating for global democracy and peace’.\footnote{Lee, ‘Taiwan’s Path to Democracy’. See also ‘Undemocratic China a Threat to World Peace: Former President Lee’, Central News Agency, 6 November, 2005.} In the same vein, Chen Shui-bian asserted that ‘democracy is our best TMD [Theatre Missile Defence] in the face of China’s military threat…… as long as we are able to voice the collective will of the people of Taiwan, demonstrate consensus and make our demands clear, Mainland China will have no choice but to give us credence and serious consideration’.\footnote{Quoted in Jonathan Mirsky, ‘Taiwan on the Edge,’ New York Review of Books, 27 May, 2004, p. 46.}

The creation of the Democratic Pacific Union (DPU) in 2005 can thus be understood as part of Taipei’s containment efforts,\footnote{Currently, the DPU is an NGO, with the ultimate goal to establish the Union of Pacific Democracies as an IGO. The objectives of the DPU are to safeguard human rights, democracy, and the rule of law; ensure peaceful resolution of regional disputes; promote maritime culture and sustainable development in the Pacific; and encourage the development of co-operation in industry, trade, and technology among member states. DPU webpage: http://www.dpu.org.tw. In early 2007, Japanese Prime Minister Abe Shinzo called for the establishment of a Democratic Alliance which would involve countries such as Australia and India. Curiously, Taiwan was not on the list, despite the striking similarity between the DPU and Abe’s proposal with respect to their hidden agenda (i.e., anti-China).} as Taiwan seeks to play the role of ‘exporter of democracy’ and to serve as a ‘facilitator’ of a new civilisation of the Pacific Ocean in the twenty-first century, making democracy become the universal

value of the region (which apparently does not include China).\(^89\) As the DPU founder, Vice-President Annette Lu used her inaugural address to draw a distinction between Taiwan’s soft power and China’s hard power; as she saw it, the latter was obsessed with exploitative materialism and aggressive militarism.\(^90\) Lu also criticised that it was the failure of those fifteen-or-so Asian countries to embrace democracy that hindered a genuine regional integration.\(^91\)

On the other hand, concerned with how to socialise China within global political and economic systems, the engagement school in the US also welcomes Taiwan’s democratic transition, for if Taiwan can democratise, one can reasonably expect that China’s democratisation is achievable, too.\(^92\) This line of thinking is not unlike an old KMT slogan in the early 1980s, asking the CCP to ‘learn economy from Taiwan, learn politics from Taipei’, and now revived by President Ma Ying-jeou, who argues that only ‘one system’ is needed in any unified country—and that would be ‘the best system’.\(^93\) In a recent interview, Ma clarified that he does not advocate ‘directly exporting democracy’ to China; by emphasising that the merits of Taiwan democracy would ‘naturally’ lead to positive changes on the mainland, however, he seemed to undo this complication as soon as he made it.\(^94\) Despite the apparent difference between the positions of the containment and engagement schools regarding the prospects of China’s democratisation, then, both of them re-inscribe Huntington’s ‘democracy as civilisation’ trope through calling for the global encirclement of an authoritarian China by the ‘democratic community’, or using the ‘Taiwan experience’ to enlighten Chinese leaders on their future path.

\(^90\) Ibid.
\(^91\) Ibid.
\(^92\) Ibid.
\(^94\) ‘Nation’s Democratic Influence on PRC Inevitable: Ma’, Taipei Times, 7 April, 2008.
Since what actually matters is Taiwan’s instrumental value, any move by Taipei including its quest for formal independence that could jeopardise its role as a pawn to check or convert China is not welcomed by Washington.\textsuperscript{95} As a result, a new standard of civilisation defined based on the degree of democratic-ness has pervaded mainstream US punditry and policy circles soon after Taiwan’s first political power transfer in 2000, which was previously interpreted as the hallmark of the island’s complete transformation into a modern democracy by those same observers.\textsuperscript{96} Given the sudden realisation that Taiwan’s political system is still ‘developing’ or ‘maturing’,\textsuperscript{97} Taiwan accordingly is situated between the West and the rest, which on the one hand continues to serve as a role model for lecturing those regimes whose leaders are not yet democratically elected,\textsuperscript{98} and on the other underscores its constant need to receive guidance or even discipline from card-carrying liberal democracies. In trying to persuade the Chen administration to back out of its planned referendum on joining the UN under the name ‘Taiwan’, Deputy Assistant Secretary of State Thomas Christensen went so far as to alert that a ‘bad democracy’ or a ‘procedure packaged as democracy’ was not true democracy.\textsuperscript{99}

Huntington’s ‘clash of civilisations’ argument is not only directed at US foreign policy communities but also offers an exhortation to the strengthening of US national

\textsuperscript{96} It is illustrative to compare Shelley Rigger’s \textit{From Opposition to Power} with her ‘The Unfinished Business of Taiwan’s Democratization’, in Nancy Bernkopf Tucker (ed.), \textit{Dangerous Strait: The U.S.-Taiwan-China Crisis} (New York: Columbia University Press, 2005), pp. 16-43.
\textsuperscript{97} John F. Copper, \textit{Consolidating Taiwan’s Democracy} (Lanham: University Press of America, 2005), p. 27.
identity. While the ‘Confucian-Islamic connection’ is portrayed as the external threat to Western civilisation, multiculturalism is represented as the internal threat:

American identity [has] come under concentrated and sustained onslaught from a small but influential number of intellectuals and publicists. In the name of multiculturalism they have attacked the identification of the United States with Western civilization, denied the existence of a common American culture, and promoted racial, ethnic, or other subnational cultural identities and groups.¹⁰⁰

For Huntington, American cultural ‘decline’ produces, and is produced by, a decline in the coherence of American identity. This is precarious, because ‘Without a sure sense of national identity, Americans have become unable to define their national interests’.¹⁰¹ National identity (in the sense of sameness and unity) is crucial to his conception of foreign policy as it determines the direction of the ‘kin-country syndrome’ in his cultural realism. By contrast, internal identity divisions lead to fragmented and weak foreign policy. ‘The futures of the West depend on Americans reaffirming their commitment to Western civilization. Domestically this means rejecting the divisive siren calls of multiculturalism’.¹⁰² Though physically located within US territory, Huntington considers Hispanics outside the domestic order, for what he sees as their lack of cultural assimilation.¹⁰³ His response is thus to describe two ‘Others’—one internal, the other external—with a view to shore up and reconstitute American unity, identity, and culture by presenting it with immediate threats.

Similarly, Huntington’s view of identity formation—that the constitution of the self requires the rejection of the Other—reflects the rationale of Taipei’s vigorous de-Sinification programme and ‘name rectification’ (zhengming) campaign. Following

Huntington’s prescription, Taiwan’s Chinese cultural inheritance leads to the diffusion of a unitary identity, which renders its national interests opaque and muddles foreign policy goals, as seen in the serious delay of major US weapons purchases and the protracted debate over cross-Strait economic exchanges.\(^{104}\) Moreover, as a ‘subject of history’, accepting Chinese culture by definition peripheralises and dwarfs Taiwan. Thus, it is essential to achieve the cultural renovation (including literature, fine arts, the spatial and temporal landscapes, and even spiritual reformation) to eliminate Taiwanese people’s psychological peripherality under the shadow of Greater China and tragic (beiqing) self-perception of Taiwan being an ‘Asiatic orphan’. Accordingly, the old KMT’s Sino-centric, Greater Han ideology has been removed from high-school history and social studies textbooks since the late 1990s, replaced by a Taiwan-centred curriculum with a more balanced account of the Japanese colonial rule and an elevated status of non-Han aboriginals in Taiwan’s history. For Taiwanese nationalists, the new culture ‘would draw from the Han people who lived on the southeastern Chinese mainland and eventually migrated to Taiwan the traditional values of persistence, diligence, and pragmatism…… an appreciation of discipline, social norms, and the rule of law from Japan, and a scientific and democratic spirit of inquiry from the West’.\(^{105}\)

During Chen’s presidency (2000-2008), Taiwanese businessmen (Taishang) who invested and worked in China were often charged with causing damage to Taiwanese subjectivity and labelled as ‘Taiwanese traitors’ (Taijian), for thinking only about their self-interests and even acting as ‘China walkers’ (i.e., the ‘Fifth Column effect’),\(^{106}\) although empirically-grounded research did not support that Taishang as a whole had


\(^{105}\) Daniel C. Lynch, ‘Taiwan’s Self-Conscious Nation-Building Project’, Asian Survey, 44:4 (2004), p. 521. Lynch comments that such a ‘pick-and-mix’ stance is ironic because these independents are ‘deconstructing China and arguing for its centering within Taiwan’s moral universe’.

\(^{106}\) Ibid., pp. 522, 529-30.
become a pro-unification stooge of the PRC government. But the primary target of the pro-independence, ‘Pan-Green’ parties’ othering rhetoric had been directed at the ‘Pan-Blue’ opposition parties and their supporters. This was well summarised in Lee Teng-hui’s speech on obstacles to Taiwan’s democratisation:

From where do the threats to Taiwan’s democracy come? There are certain political parties in Taiwan that are antidemocratic. These remnants of the authoritarian era… attempt to baffle the people through [Greater China] ideology to replace the people’s choice. In Taiwan, this antidemocratic force is quite rampant, and supported by the Chinese totalitarian regime. China, across the Taiwan Strait, has never wavered from its ambitions to annex Taiwan although its tactics may have changed…… The antidemocratic forces with their ideological wrappings inside Taiwan and the authoritarian Chinese quickly became good friends…… The interplay of these internal and external factors has led to complexity and confusion of Taiwan’s national identity. This is the most significant threat to Taiwan’s democracy.

Like Huntington, Lee’s remarks describe two Others (as well as their connection) to bolster domestic identity. Huntington depicts Islamic fundamentalists in stereotypically barbaric terms, which precludes the possibility of empathy. Similarly, since the Chinese are seen incompatible with liberal democracy, those who subscribe to Chinese identity are internal threats to Taiwan’s democratisation, which implies that they enjoy no constitutional rights and subject to state-directed violence (it also becomes understandable why President Chen linked up China with terrorism).

Supporting Taiwan’s democracy and supporting Taiwan’s independence from China thus amount to the same thing.

The need for the transformation of Taiwan’s un-Chinese symbolic environment and cultural renovation eventually led the DPP government to ‘rectify’ Taiwan’s name

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107 T.J. Cheng, ‘China-Taiwan Economic Linkage: Between Insulation and Superconductivity’, in Tucker, Dangerous Strait, pp. 108-10. In fact, Taiwan’s intelligence sector has a track record of recruiting Taishang as its agents on the mainland.

108 Lee, ‘Taiwan’s Path to Democracy’. After the defeat of the 2000 presidential election, Lee was expelled from the KMT for his alleged disloyalty to the party. Lee later formed the TSU, whose pro-independence position was more radical than the DPP’s until late 2006.

by dropping ‘China’ from the names of some government agencies and state-owned enterprises and replacing it with ‘Taiwan’. The name rectification drive later focused on downplaying the legacy of Chiang Kai-shek, such as cancelling two public holidays honouring him, removing his statues from military barracks, taking his name off Taiwan’s biggest international airport, and, more recently, renaming a famous Taipei landmark which was previously named after Chiang ‘Taiwan Democracy Memorial Hall’. In defence of the move, Chen stressed that ‘This is the question of whether we should worship a dictator, an authoritarian ruler who had suppressed human rights, like a god or a feudal emperor’. Among other motives, the Chen administration found the anti-Chiang strategy useful as it worked to ‘Other’ China and the KMT simultaneously. In Taiwan’s quest of international recognition, would the ‘Republic of Taiwan’ (or something similar) eventually replace the ‘Republic of China’ moniker? While international watchers are wary of this kind of development that surely would be seen by Beijing as an outright declaration of independence, from Taiwanese leaders’ (as well as Huntington’s) perspective, the act of being anti-China is itself pertinent to forming an identity regardless of the results of that action.

The next section will discuss the implications of Taipei’s use of democracy card as a boundary-producing act to differentiate Taiwan from China. It is wary of such an identity construction practice, because the tactics employed thus far not only result in

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112 In protest against UN Secretary-General Ban Ki-moon’s handling Taiwan’s membership application on the ground that Taiwan’s status as ‘part of China’ had been determined in 1971 by UNGA Resolution 2758, Chen wrote to the Secretary-General and the Secretary Council President, who happened to be Chinese Ambassador Wang Guangya, signing both letters ‘Chen Shui-bian, President, Taiwan’. Chen ensured that his letter reached Wang on 31 July, 2007, right before Wang’s term as the Secretary Council President ended. This recent episode reconfirms that, in Taiwanese leaders’ mindset, how to irritate China is more important than to pave the way for Taiwan’s eventual UN entry.
inattention to the true quality of democracy in Taiwan and the ‘self-dwarfing’ in the face of major democratic countries but also impoverish Taiwanese’s understandings about political development in China.

5.3 Problematising the Rationality of Taiwan’s Democracy Card

As introduced in Chapter 1, there are at least two different views about how to conceive foreign policy. The conventional mode assumes that world politics comprises states, their domestic subsystems, and international systems. Foreign policy is understood as a ‘bridge’ consciously constructed by the state in an effort to link itself to the larger system and to deal with the dangers and uncertainties that larger system holds for its own security. By contrast, an alternative conception of foreign policy ‘shifts from a concern of relations between states that take place across ahistorical, frozen, and pregiven boundaries, to a concern with the establishment of the boundaries that constitute, at one and the same time, the “state” and “the international system”’.\(^{113}\) That is to say, foreign policy is ‘a specific sort of boundary-producing political performance’\(^{114}\).

If one follows the conventional understanding of foreign policy, there should be little doubt that the recent move by the United States (in addition to other Big Five in the UN Security Council and Japan) to describe the DPP government’s proposed referendum on joining the UN under the name Taiwan as ‘unhelpful’, ‘irresponsible’, ‘provocative’ and ‘a mistake’—linking it to an unilateral change of the cross-Strait status quo—is indicative of the decreasing marginal utility of Taiwan’s democratic


image in terms of shaping the international environment to its favour. In fact, in the
first-ever floor debate in the UN General Assembly on Taiwan’s membership
application in 2007, neither the United States nor Japan spoke for Taiwan; defeated
without vote, the debate ended up with some 126 countries speaking against Taiwan
(14 in favour).\textsuperscript{115} Worse still, the controversy over Taiwan’s UN referendum
prompted high-ranking officials in Washington to spell out the US position that it does
not consider Taiwan, or the ROC, to be a ‘state’ in the international community and
does not see any prospect for Taiwan actually to join the UN.\textsuperscript{116} It would be all too
easy to attribute Taipei’s setback to China’s oppression and major powers’ double
standard; nevertheless, that does not explain why leading members of the
‘international democratic community’ did not choose to remain neutral but instead
join the chorus of Beijing’s Taiwan encirclement. Indeed, as the previous section has
illustrated, they would not feel uncomfortable to discipline and punish what they
consider a ‘maturing’ democracy.

If one adopts the aforementioned reorientation of foreign policy that sees the
construction of the ‘foreign’ being made possible by practices that also constitute the
‘domestic’, is it plausible to argue that what appears to be Taiwan’s foreign policy
failure on the surface could actually mean a success? To answer that, one needs to
examine a central foundation upon which Taiwan’s democratisation has been
unfolding—its post-colonial conditions.\textsuperscript{117} Taiwan’s confrontation with China,
whether through annual UN campaign or by branding China as a state terrorist, is not
motivated by superior, out-group discrimination as some may suggest from the

\textsuperscript{115} Romberg, ‘Applying to the UN “in the Name of Taiwan”’, p. 7. The debate was initiated on 21
September, 2007 and lasted for over four hours.
\textsuperscript{116} This statement is from Dennis Wilder (National Security Council Senior Director for Asian Affairs),
see ‘Press Briefing on the President’s Trip to Australia and the APEC Summit by Senior Administration
\textsuperscript{117} Such awareness has been rare in the political science literature. A recent intervention is Shih’s
Democracy (Made in Taiwan), on which much of my discussion below is built.
perspective of social identity theory. Rather, power struggle with values (e.g., Confucianism), people (e.g., Chiang Kai-shek), symbols (e.g., the ROC) and so on from or associated with China is itself a power-generating method, and thus a remedy to the inferiority complex or the fear of deprivation for the post-colonial Taiwanese.

For one thing, the sense of inferiority (hence the orientation toward power) has a lot to do with the inability to grasp one’s own identity, or when the identity is bestowed, is respected and not detested. Since 1895, Taiwan residents were first called the ‘slave of the Qing Nation’ by the Japanese colonial authorities. Having been assimilated into the Japanese identity, they were called Japanese and treacherous to the Chinese nation after Taiwan was turned back to China. As a result, the Taiwanese were torn as to what identity they should take on. The KMT’s violent suppression of the 2/28 uprising and its subsequent anti-Japan education to re-Sinicise Taiwan (e.g., Chinese Culture Renaissance Movement) deepened the wound inflicted by imperial Japan’s kominka (‘becoming imperial subject’) campaign, as local residents eventually submitted themselves to the supposedly inferior Chinese who even considered them inferior. To respond to the KMT (and the CCP) authorities, using an anti-Chinese position—which may express in a pro-Japanese outlook—became a natural strategy of self-empowerment in the hybrid post-colonial Taiwan. This is to the extent that ‘The anti-Chinese process must proceed without an ending for an ending would require one to turn internally for an identity, which would be embarrassingly Japanese, Christian [due to the island’s historical contact with missionaries], or Chinese—anything but Taiwanese’. Indeed, such a seemingly pro-Japanese attitude is so pervasive that right-wingers in Japan mistakenly believe

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that the lost ‘Japanese spirit’ is still well preserved in contemporary Taiwan.\footnote{See Kobayashi Yoshinori’s comic book Taiwan lun (On Taiwan) (Tokyo: Shogakukan, 2000).}

Against the post-colonial backdrop, Taiwan’s democratisation has thus served as an instrument to garner power for the local leadership to demonstrate that the indigenous identity is no longer inferior to the Chinese identity. The immediate problem is that a strict application of the constitutionalist belief in limited government and the due process would imply that the indigenous identity is likewise limited, and thus is psychologically unacceptable for Taiwanese leaders.\footnote{Shih, ‘The Global Constitution of “Taiwan Democracy”’, pp. 26-27.} Both President Lee and President Chen had a track record of going outside the constitutional process confined by legislative sovereignty. During Lee’s presidency, Taiwan’s political system was transformed from a parliamentary-leaning system into a semi-presidential one, revoking the legislative approval on the nomination of the premier, revoking the premier’s co-signature on his retirement, institutionalising the National Security Council under the president, and so on.

Soon after he assumed office, Chen intervened in the fourth nuclear plant issue, which unconstitutionally placed himself and the premier on an equal footing in domestic policy matters, by refusing to release its construction money approved by the legislature dominated by opposition parties. Insisting on his prerogative, Chen argued that the popular mandate gave him the power to alter legislative decisions and guide cabinet deliberations. The DPP government then engineered a referendum law in 2003 hoping to bypass the legislature, even to the point of replacing the ROC constitution.\footnote{‘Chen Affirms Goal of Enacting New Constitution’, Taiwan News, 7 January, 2004. Chen’s plan to rewrite a new constitution by 2006 and approve it through a popular vote by 2008 was not materialised.} Apart from the aforementioned motive, enacting the law would prepare a mechanism for legitimately declaring statehood as soon as a safe opportunity presents itself. The act of holding referenda also enables the Taiwanese to...
distinguish themselves from China, and to highlight the existence of the China threat. In short, Taipei had various identity politics-related reasons for passing the referendum law; few of them were about democratic consolidation per se.

Observers of Taiwanese politics were not unfamiliar with the unconstitutional expansion of presidential power. Some were surprised by Chen’s involvement in almost ‘everything with his aggressive behavior’ as if he was still a ‘dominant president’ during the authoritarian period; others with working experience in the first Chen administration had pointed out that he consulted only with a small group of advisors and his top-down decision-making sometimes did not even consult or notify the ministers who were in charge. They nevertheless seem to attribute Chen’s deviation to the ‘unavoidable dilemma of traditional [rule-of-man] culture’, believing that the installation of a carefully-devised constitutional framework can help put the thing right over time. Unfortunately, the effectiveness of such a prescription is dubious at best. After all, how can liberal democracy not aggravate the post-colonial fear of deprivation? Meanwhile, how can the Confucian pretence that power is voluntarily submitted be reconciled with the post-colonial inclination toward aggressive self-empowerment?

An efficient ballot-casting and counting system notwithstanding, concerns about other aspects of liberal democratic institutions such as human rights are not strong in

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124 Da-chi Liao, Chia-ho Hsu, and Mary Hsu, ‘The President the Great: An Inescapable Cultural Predicament in Taiwan’s Constitutional Practice’, paper presented at the 2003 Conference on Taiwan Issues, Charleston, South Carolina, 5-7 September, 2003, p. 17.
126 Liao, Hsu, and Hsu, ‘The President the Great’, p. 19.
127 This is so because power is conceptualised differently. To show its selflessness, Confucian leadership should wait for power, which is equivalent to a moral status, to accrue to its use. Post-colonial leadership needs to demonstrate power in public so as to compensate the deprivation of a ‘pure’ identity. In liberal democracy, power is a necessary evil to be checked and balanced. Shih, ‘The Global Constitution of “Taiwan Democracy”’, pp. 21-22.
Taiwan. Liberalism respects differences. Yet difference is used to serve the purpose of building national consciousness under Taiwan’s human rights practice. As mentioned earlier, the formation of Taiwan’s nation-hood requires one to substitute the new Taiwanese identity for one’s primordial identity in an either-or manner.\textsuperscript{128} Taiwanese citizenship does not work like a protective, civil identity for those new immigrants (mostly mainland Chinese and Southeast Asians) wishing to maintain their primordial identity.\textsuperscript{129} Therefore, while claiming human rights as universally valid, the Taiwan government does not refrain from working the images of difference into a discursive tool to discriminate against the Chinese, from those spouses who follow their husbands to Taiwan to fishermen employed on Taiwanese fishing boats.\textsuperscript{130}

This is \textit{not} to say that Taiwan’s position on human rights has not changed after lifting the martial law. Rather, what Taipei’s official practice implies is that Taiwan’s human rights are universal but China’s are not, for treating Chinese human rights as universal would obscure the distinction between Taiwan and China. However, if soft power is about a country’s ability to attract others and move international public opinion through leading by example, which, according to Joseph Nye, requires its policies to promote values and interests that others share,\textsuperscript{131} Taipei’s identity strategy necessarily weakens its claim that its quest of UN membership or obsession with referenda is driven by the same ‘universal’ standard which human rights advocates in the United States and elsewhere try to promote.

\begin{footnotesize}
\begin{enumerate}
\item\textsuperscript{130} There have been extensive discussions on Taiwan’s violations of Chinese human rights in Shih, \textit{Democracy (Made in Taiwan)}, chap. 1.
\item\textsuperscript{131} Nye, \textit{Soft Power}, p. 11.
\end{enumerate}
\end{footnotesize}
As a result, liberalism is no longer liberal to the extent that forging a new national identity allows doing physical and discursive violence to the alleged differences. Democracy is no longer democratic to the extent that legislative sovereignty is either disregarded or even sabotaged. Taiwan’s democracy has gradually evolved into something else. Shih Chih-yu offers a pertinent description:

First of all, it is not a constitutional system, and the leaders of the country are aware of this but are at the same time comfortable with this lack of constitutionality. Second, it is a political identity to differentiate Taipei from Beijing. Third, it is a strategic means to sabotage Sino-U.S. relations. Fourth, it is the foundation upon which Taipei redefines terrorism to exclusively mean Beijing. Fifth, it is the base of confidence that Washington will support Taipei’s own anti-terrorist concept with regard to the cross-Taiwan Strait relations, and sixth, it is the source of legitimacy for Taiwanese independence.132

In the final analysis, then, what Taipei has been pursuing is little more than an image of having a democratic identity. This pursuit reflects its affective need to appear democratic, modern and prosperous so as to become part of the strong (hence the association with the United States and Japan). Building the image of being democratic and un-Chinese is a vehicle through which Taiwan achieves such an association.133

So what, one might question, if confrontation with China externally and with (imagined or real) China agents internally is useful to maintain the security of the self, cosmetic democratic rhetoric could be acquiesced because it addresses Taiwan’s desire for a (relatively) stable social identity in the international realm. And this need for ontological security is likely to motivate Taipei to ‘hang onto’ existing behaviour patterns because it helps stabilise its social relationships.134 As Jennifer Mitzen argues, ontological security is attained by routinising relationships with salient others,

133 Shih, Democracy (Made in Taiwan), pp. 216-18.
and states therefore become ‘attached’ to those routines to such an extent that even
dangerous routines could provide them ontological security. In other words, rational
security-seekers may see the construction/replication of conflictual images and
structures as optimally rational. Following her classification of inter-state routines,
contemporary cross-Strait relations can be seen as a ‘rigid’ mode of routinisation
embodied in the actors’ inability to learn, since neither Beijing nor Taipei has been
actively searching for ways out of the conflict or engaging in debates about
reconciling their interaction with security-seeking goals. Moreover, leaving
competitive routines behind may generate ontological insecurity. Not only the
ROC on Taiwan but also the PRC previously had known itself through routines of
enmity, and it is easier to act on old, familiar fears as a baseline than on new,
untested hopes. Hence Mitzen concludes, ‘conflict may benefit a state’s identity even
as it threatens its body’.

This chapter does not intend to challenge the above line of thinking with respect
to Taipei’s propensity to expose its physical security under excessive risks, which, in
theory at least, could have been otherwise by developing an identity which does not
depend on ‘discourses of danger’. In my view, ontological security needs supplement,
not contradict, post-colonial inclinations in Taiwan which aspire to find ways to
compensate the deprivation of a ‘pure’ identity; together they help to explain how
persistent confrontation with China can last. Nevertheless, Mitzen’s insight begs two

136 Mitzen defines ontological insecurity as ‘the deep, incapacitating state of not knowing which
dangers to confront and which to ignore, i.e. how to get by in the world. When there is ontological
insecurity, the individual… cannot relate ends systematically to means in the present, much less plan
ahead’. Ontological security, in contrast, refers to ‘the condition that obtains when an individual has
confident expectations, even if probabilistic, about the means–ends relationships that govern her social
life. Armed with ontological security, the individual will know how to act and therefore how to be
herself’. Ibid., p. 345.
137 See, for example, Susan L. Shirk (former Deputy Assistant Secretary of State), China: Fragile
important questions. One is normative, the other is empirical. It is normatively unsatisfactory, and potentially politically irresponsible, for her analytical ‘neutrality’ shies away from the question of how such conception of ontological security is able to make political judgment about strategies that seek consciously to manipulate and mobilise in-group/out-group animosities in the pursuit of political power. Mitzen’s analysis cannot tell us how to make judgment about politicians’ mobilisation of social capacities and political power by casting Others—abroad or at home—as enemies (Chapter 7 will revisit this theme). This was exactly Hans Morgenthau’s major concern, as an emigré in the wake of the Nazi rise to power, in developing the concept of politics. As Michael Williams has pointed out:

In a political context where extreme formulations of in-group/out-group relations were linked to extremely violent political strategies at both the domestic and international levels, the ability to make judgements about those strategies was an essential element of political responsibility…… [J]udgement is essential if the negative dimensions of politics are not to be mistaken for politics as a whole, and if its negative expression in a politics of enmity is not to be erroneously taken as the inevitable outcome of the relational construction of collective identities. Responding to the dynamics of collective identity is indeed a choice, however much it must be located within historical structures and limitations.\(^\text{139}\)

Another problem under-addressed in Mitzen’s analysis is that the ontological security-seeking assumptions cannot be confined to specific state-dyads alone; state X cannot hope to maintain a relatively stable social identity by adhering to competitive routines against state Y without taking into account how other states and non-state actors would understand and react to that routinised relationship. Without the encompassment of the Cold War Western will (and, indeed, material support), Chiang Kai-shek’s ‘Free China versus Red China’ drama would not have continued for two decades or so had he merely resorted to the discursive perpetuation of Chinese

nationalism and anti-communist civil war against the CCP’s corresponding ‘anti-imperialist struggle’. During the two decades after Japan’s defeat in 1945, the containment-minded United States had become so attached to those routines that it committed as much as US$4 billion in military aid and economic assistance to the KMT government, amounting to 85 percent of the ROC’s total expenditures (compare this to the US$13 billion to rebuild all of war-torn Western Europe under the Marshall Plan). In addition, Chiang’s reunification game could not have been meaningful to the players and the audience without some cognitive underpinning, which ensured that any reference to Taiwan was at the same time also a reference to China (i.e., a Chinese province). And this invisibility of ‘Taiwan’ was not only perpetuated by the KMT and US foreign policy but also reproduced in Western and local social science discourse (e.g., coming to Taiwan to study Chinese behaviour).

By the same token, without the global constitution of Taiwan as an independent reference point—which could be development experiences, colonial legacies, aboriginal kinship, democratic values, and so on—separated from China in the first place, Taipei’s drive for normal nation-hood could not simply come into existence just because Lee Teng-hui and Chen Shui-bian came to power. Such transformation was, again, a concurrent result of several projects originating from different countries intended for different purposes, which was beyond Taipei’s control. These include, for example, the conjunction of Washington’s global strategic adaptation in the aftermath of the Vietnam War, which gave rise to a new ‘Pacific Rim’ discourse where Taiwan—a member of the NICs—served as an economic role model to discredit Communist Vietnam. Beijing’s reappraisal of China’s place in the world laid out by

140 Gold, State and Society in the Taiwan Miracle, p. 53.
Mao Zedong’s Three-World theory likewise prompted the KMT to compete for the best development model in the Third World, treating Taiwan as an independent economic entity. Last but not least, the intellectual debates between the modernisation and dependency schools invoked the ‘Taiwan experience’ to fight neo-Marxism also unwittingly constructed new meanings of being Taiwan and thereby prepared cognitive conditions for the rise of Taiwanese nationalism two decades later.

To sum up, whether one sees Taipei’s foreign policy as a bridge that links Taiwan to the international community or a strategy to maintain its ontological security to the extent possible, it should be clear that Taiwan’s use of democracy card has reached its limit. Foucault argues that the emergence of the concept of reason became possible through the exclusion of a range of activities that were defined as ‘madness’ or ‘insanity’. Among other factors, Taiwan’s democratic image was likewise constructed to the extent it has been through the negation of Chinese behaviour designated as authoritarian or hegemonic. Since Taiwan’s national image is defined in almost total opposition to that of China, it is psychologically necessary to ignore any signs of political democratisation in China (such as open elections at the township and village levels), lest the difference between democratic Taiwan and authoritarian China be blurred. Rather than articulating new *modus vivendi* for Taiwan’s foreign policy, Taipei’s democracy card ends up policing what Taiwanese can *rationally* say about China.

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143 Michel Foucault, *Madness and Civilization: A History of Insanity in the Age of Reason* (London: Routledge, 1971). The exclusion of superstition and religion also contributed to such a process.
5.4 Conclusion

This chapter has showed that the ways in which China has been seen as a political threat to Taiwan have been intrinsically linked with Taiwan’s national image construction. Using Taipei’s UN membership campaigns as an illustration, it has indicated that China’s threat image (authoritarian, barbaric, violent, prone to human rights violations) is constructed through the discursive picture of a democratic, civilised, and peaceful Taiwan that respects human rights. Most important, Taipei’s preoccupation with the democracy card in its foreign policy conduct is not about the utility of this approach in terms of breaking through Beijing’s diplomatic blockade, but about producing boundaries that separate Taiwan from China. This does not imply that Taiwan has actually joined the democratic club. On the contrary, Taipei’s active participation in Huntington’s ‘democracy as civilisation’ trope determines its subaltern status, which is subject to strategic appropriation by the card-carrying liberal democracies.
Chapter 6. When Is China’s Military Modernisation Dangerous? US Arms Sales to Taiwan and the Cross-Strait Offence-Defence Balance

After examining Taiwan’s claims about the ‘China threat’ in relation to Taipei’s economic and political discourse, this chapter looks at how the PLA’s ongoing modernisation has been seen as the primary military threat to Taiwan’s security; it will also consider the ways in which Taipei has sought to deal with relevant unfavourable trends. Not unlike the previous two cases examined in Part II, the chapter argues that Taipei’s defence policy is also a part of its boundary-creating exercise in the formation of Taiwanese national identity. Rather than simply responding to the PRC military threat based on what some may consider an ‘objective’ assessment of the cross-Strait offence-defence balance, the idea that there exists an offence-defence balance between the two sides discursively constitutes a peaceful Taiwan threatened by a war-like China. Similarly, the greatest significance of US arms sales to Taiwan is not so much about whether particular weapons systems can maintain or restore an offence-defence balance to Taiwan’s favour, but about belonging to a camp which China is unable to join.

The most often invoked assumption in policy and academic debates regarding the nature and extent of the threat posed to Taiwan by China’s growing military capabilities since the 1990s has been that the change of military technology affects the prospects for war and peace. China’s military modernisation programmes are viewed as destabilising, largely because the quality (rather than quantity) of its weapons systems and platforms is improving. For example, although figures in the Pentagon’s annual reports on the PRC’s military power show an actual decline in the number of Chinese ground forces deployed in the Taiwan Strait area, as well as a sharp decline in the number of bombers and fighters within range of Taiwan (compare the 2008 edition.
to its 2007 predecessor), US defence officials believe that a reduction in total numbers may well reflect that a higher percentage of much more capable platforms and systems has been deployed.¹

Therefore, when one reads of the ‘balance of military forces’ across the Taiwan Strait in newspaper articles and policy analyses, it usually refers to the notion of the ‘offence-defence balance of military technology’ in IR parlance. Due to Taiwan’s failure to keep pace with the PRC’s military modernisation in the past decade, by 2006 various government reports inside and outside Taiwan have concluded that the cross-Strait offence-defence balance has been tilting in Beijing’s favour, which in turn increases the likelihood of a Chinese use of force.² The line of reasoning goes as follows: If the current trend continues, China’s ability to physically occupy Taiwan and force a regime change may become easier, and if it is easier, such a course of action could become more tempting.³

In line with the aims of this chapter, the first section of this chapter will therefore examine the protracted debate among the DPP government, the Pan-Blue opposition parties and US officials and analysts over a special defence budget for acquiring a massive arms package offered by the George W. Bush administration in April 2001 in the face of the PRC’s military modernisation. The controversial special budget is illustrative for the purpose of this chapter because it was the biggest ever special defence bill that Taiwan’s Executive Yuan (i.e., Cabinet, EY) had sent to the Legislative Yuan (LY) for review.

The second section will then discuss the underlying assumption in Taiwanese and

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US official interpretations of Chinese military threat, which holds that offensive advantages make war more likely—a principal hypothesis of so-called defensive realism.

Rather than criticising the methodological ambiguities about how to define and measure the ‘offence-defence balance’ as a baseline on which a capable defence posture against potential PLA attacks can be built, the third section of the chapter will question Taipei’s rationale of arms procurement by arguing that these ambiguities are conducive to the discursive constitution of a peace-loving Taiwanese identity threatened by the belligerent Chinese. The chapter concludes with a brief summary of the role of the offence-defence balance and US arms acquisition in the formation of Taiwanese identity.

6.1 US Arms Sales to Taiwan and the Controversy of the 2004 Special Defence Budget

US security relations with Taiwan consist of three inter-related elements: arms sales to Taiwan, military-to-military relations with Taiwan, and US security commitments to Taiwan. This section is intended to discuss Taiwan’s approach to the arms sales issue and the US reaction; it does not deal with the ‘software’ initiatives such as military exchanges that seek to help Taiwan effectively integrate and employ the weapons that the island acquired from the United States. Among the aforementioned elements, arms sales are perhaps the most controversial aspect of this security relationship, which has periodically aroused irritation in Beijing, given rise to tension between Washington and Taipei, and prompted domestic political battles in Taiwan.4

As a condition for the normalisation of diplomatic relations with the PRC in 1979, the United States agreed to remove its troops from Taiwan and abrogate the 1954 US-ROC Mutual Defence Treaty. However, Washington has still maintained an ambiguous commitment to the island’s defence as part of its ‘officially unofficial’ relationship with Taiwan, in accordance with the 1979 Taiwan Relations Act (TRA), Public Law 96-8. The TRA specifies that it is US policy, among the stipulations: to consider any non-peaceful means to determine Taiwan’s future ‘a threat’ to the peace and security of the Western Pacific and of ‘grave concern’ to the United States; ‘to provide Taiwan with arms of a defensive character’; and ‘to maintain the capacity of the United States to resist any resort to force or other forms of coercion’ which may jeopardise the security, or social or economic system of the people on Taiwan. Section 3 (a) states that ‘the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability’.

There are two other components of the US ‘One China’ policy related to the issue of arms sales to Taiwan. The PRC and the United States signed the third joint communiqué on 17 August, 1982, in which Washington agreed to gradually reduce its arms sales to Taiwan (either in qualitative or in quantitative terms) and the reduction would lead, over a period of time, to a final resolution of the issue. At the same time, Washington offered ‘Six Assurances’ to Taipei, particularly, not to set any date to end arms sales to Taiwan and not to consult with Beijing over the specifics of any weapons to Taiwan prior to making that sale. Since then, the United States has always striven to continue the complicated balancing act of helping Taiwan improve its defence capabilities without undermining US-China relations. That is to say, it sells

military weapons and equipments to Taiwan so as to deter China’s possible use of force, but arms sales are restrained to the extent necessary for maintaining a working relationship with China and not being seen as too provocative by Chinese leaders.

The TRA and the 1982 Joint Communiqué thus constitutes a contradictory framework in which the United States could flexibly interpret its actions and adapt accordingly regarding its relations with the PRC and Taiwan. Under this framework, the values of deliveries of US defence articles and services to Taiwan totalled $5.8 billion in the 1999-2002 period and $4.1 billion in 2003-2006, making the island the largest recipient of US foreign military sales training in the Pacific Command’s area of responsibility. Among worldwide buyers, Taiwan ranked 2\textsuperscript{nd} (behind Saudi Arabia) in 1999-2002 and 4\textsuperscript{th} (behind Israel, Egypt, and Saudi Arabia) in 2003-2006.

The increase of China’s military capabilities since the end of the Cold War has reinforced US suspicion of China’s intention and has alerted the United States to the evolution of the military imbalance across the Strait. In April 2001, President Bush said on the ABC News programme \textit{Good Morning, America} that the United States would ‘do whatever it takes to help defend Taiwan defend itself’. Although Bush’s statement judged from the hindsight did not amount to the deviation from the aforementioned US position on arms sales to Taiwan, or the alternation of the longstanding US policy of ‘strategic ambiguity’, which seeks to simultaneously deter Beijing from using force to resolve the Taiwan issue and discourage potentially...

\footnote{Ibid.}
provocative actions on the part of Taipei by remaining vague regarding the conditions under which Washington would intervene in a Strait crisis, it is clear that the US-Taiwan security relationship is closer than it has been at any time since 1979.

In that same month, where the EP-3 surveillance plane incident had damaged US-PRC relations,\(^9\) the Bush administration approved a major and unprecedented arms package for Taiwan, which consisted of ballistic missile defence as well as naval systems and platforms. It was the largest arms transfer approved since the senior President Bush’s decision to sell 150 F-16 A/B fighters, worth $5.8 billion, to Taiwan in 1992. As Table 6.1 shows, the package was mainly designed to enhance the ROC Navy’s anti-submarine warfare (ASW) capacity and upgrade Taiwan’s limited missile defence capacity in order to protect the island against PLA’s blockade and short-range ballistic missile (SRBM) bombardments.

<table>
<thead>
<tr>
<th>Table 6.1 US Arms Package Offered to Taiwan, April 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>System and Quantity</strong></td>
</tr>
<tr>
<td>Diesel-Electric Submarines (8)</td>
</tr>
<tr>
<td>P-3C Maritime Patrol Aircraft (12)</td>
</tr>
<tr>
<td>Mark-48 ASW Torpedoes (54)</td>
</tr>
<tr>
<td>Harpoon Submarine-Launched Anti-ship Cruise Missiles (44)</td>
</tr>
<tr>
<td>M109A6 Paladin Self-Propelled Howitzers (144)</td>
</tr>
<tr>
<td>AAV7A1 Amphibious Assault Vehicles (54)</td>
</tr>
<tr>
<td>AN/ALE-50 Towed Decoys for F-16s</td>
</tr>
<tr>
<td>MH-53 Minesweeping Helicopters (12)</td>
</tr>
</tbody>
</table>

N.B. In addition, Taiwan was offered four Kidd-class destroyers (roughly $800 million) and an integrated undersea surveillance system (roughly $500 million). The United States later released M1A2 SEP Abrams battle tanks (roughly $500 million), at least thirty attack helicopters (either the AH-64D Apache or AH-1Z Super Cobra, roughly $2 billion), and four signals intelligence (SIGINT) aircraft. The United States also agreed to upgrade Taiwan’s three existing PAC-II systems and release six new PAC-III batteries (roughly $3 billion).

Source: Mark A. Stokes, ‘Taiwan’s Security: Beyond the Special Budget’, Asian Outlook, AEI, March

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\(^9\) On 1 April, 2001, a Chinese F-8 jet fighter and an American EP-3 spy plane collided over the South China Sea. The EP-3 made an emergency landing on China’s Hainan Island, whereas the F-8 crashed and the pilot was killed. ‘U.S.-China Diplomatic Crisis Could Impact Arms Sale to Taiwan, Says Powell’, Agence France Presse, 9 April, 2001.
The approval of this package also signalled a transformation of the US arms sales process with respect to Taiwan. A few days after the April 2001 arms sales were announced, the Bush administration ended the traditional approach of employing an annual review to determine Taiwan’s defence needs and adopted an ‘on an as-needed basis’ policy that creates a more flexible and efficient arms sales process, effectively treating Taiwan as a ‘normal security partner’.  

However, neither Washington nor Taipei had anticipated that the approval of this big-ticket arms package would become a source of bitter political bickering that plagued US-Taiwan relations during most of Bush’s and Chen’s presidencies. It also led to protracted debates on various contentious issues among the Taiwan military, civilian officials, and competing political parties in an assertive legislature. These issues include the urgency of a possible PLA attack, how much to spend on defence, which US weapons systems to buy, whether to respond to perceived US pressure, and what the defence strategy should be. As Michael Chase observes, it is ironic that even as the United States and Taiwan were moving closer together in many aspects, perceptual gaps were widening. Taipei complained that Washington did not understand the complexities of Taiwan’s defence reforms, domestic politics, and the increasingly assertive role of the LY. Officials and legislators resented what they regarded as a paternalistic US sales pitch. For its part, Washington was frustrated with delays in arms procurements and the pace of defence reform in Taiwan.

Among the defence articles offered for sale, four decommissioned Kidd-class destroyers—which Taipei did not ask for—were the first item purchased by Taiwan, but that did not happen until the LY finally released funding in May 2003.\textsuperscript{14} The decision to acquire these destroyers had given rise to debates over their utility. Opponents complained about the ships’ age, huge size, and slow mobilisation speed; they argued that the Taiwan government should wait for the possible approval of the more advanced, Aegis-equipped Arleigh Burke-class destroyers, which can provide a sea-based Theatre Missile Defence (TMD) system against attacks by SRBMs and land-launched cruise missiles even more competent than PAC (Patriot Advanced Capacity)-III.\textsuperscript{15} Moreover, the Arleigh Burke-class could track and attack targets (16-20) four times more than the Kidd-class (4-5), and its long-range spy radar could enable the Taiwan military to concentrate its forces in the right time and at the right place. Given the constraints of the US arms sales policy toward Taiwan that seeks to respond to the perceived eroding military balance across the Strait without unduly angering the PRC, it is thus unsurprising that the Bush administration eventually decided to offer the less capable Kidd-class. In reciprocity, Beijing reportedly hinted that it would not block that sale for Taiwan.\textsuperscript{16}

In June 2004, the EY adopted a special budgetary programme, which was worth NT$ 610.8 billion or US$ 18.2 billion (all monetary values in this chapter will be in US dollars unless indicated otherwise), to be spent over the next fifteen years for the

\textsuperscript{14} These four Kidd-class destroyers were built around 1978 for the then-Shah of Iran; they were purchased by the US Navy after he was overthrown. The ships were decommissioned in 1998 and transferred to the ROC Navy in 2005-2006 after reactivation and upgrade. Because legislators conditioned funding on bargaining with the US Navy on a 15 percent price reduction, the ships put to sea with only half of their designed ordnance load for Standard anti-aircraft missiles (SM-2). Brian Hsu, ‘Budget Cut Gives Green Light to Kidds Deal with U.S. Navy’, \textit{Taipei Times}, 3 June, 2003.

\textsuperscript{15} President Bush deferred decisions on destroyers equipped with Aegis combat system in 2001. Opponents of the Kidds sale resented being forced to buy the aged warships first, at considerable expense, to qualify as potential Aegis buyers. Taiwan again requested four new Arleigh Burke-class destroyers in 2003, at an estimated cost of about $4.8 billion. Kan, ‘Taiwan: Major U.S. Arms Sales Since 1990’, p. 9.

purchase of eight submarines, six PAC-III systems and twelve P-3C aircraft from the United States. Despite the DPP government’s vigorous efforts to persuade the public and the LY to support the programme, the special defence budget (under the rubric of ‘Three Major Military Procurement Projects’) was extremely ill-fated after it was presented to the LY for review; in mid-2006, the statute governing the special budget had been blocked over fifty times by the opposition-controlled Procedure Committee, which decides the agenda for each legislative setting.

The DPP government initially appeared to underestimate the difficulty of passing the special bill; instead, Defence Minister Lee Jye first vowed to resign if the LY failed to approve the special defence budget, then urged exodus if the legislature kept blocking it. The Ministry of National Defence (MND) even launched a poor advertising campaign, claiming that the funding needed for the arms was ‘only’ equivalent to the sum saved by all the Taiwanese people from drinking one less cup of pearl milk tea (a popular local drink) each week for fifteen years. In a bid to push the bill through the LY, the MND eventually trimmed the special budget from $18 billion to $15 billion in February 2005, and further cut down to $11 billion in August after dropping funds for PAC-III batteries, which would be funded from the ministry’s annual regular budget.

Several explanations have been proffered as to why Taiwan’s arms procurements, and, indeed, its overall military modernisation effort, were delayed in the past few years even as those of the PRC were accelerating. Some point to Taiwan’s steady decline in defence spending as a percentage of its GDP due to its weak economic performance. Taiwan’s regular defence budget for 2004 was about $7.8 billion, which accounted for 2.4 percent of GDP and 16.7 percent of the total government budget, as compared with 3.8 percent of GDP and 24.3 percent of total spending in 1994 (see Table 6.2). Its overall spending on the defence essentials of procurement, operations,
training, and personnel shrank, in real terms, by more than 50 percent between 1993 and 2005.\textsuperscript{17} In fact, Taiwan’s total annual acquisition budget is normally approximately $400-500 million, hence requiring either special budgets for virtually every significant purchase or a substantial increase in the annual budget.\textsuperscript{18} For instance, in 1994-2003 Taiwan had funded procurement of fighter aircraft (e.g., the F-16 A/B) and military housing construction by using special defence budgets, totalled $22.6 billion.\textsuperscript{19} Washington’s offer of the big-ticket arms package in 2001 came in a bad year of negative real change in Taiwan’s GDP (-2.18 percent), and the island’s unemployment rate reached a record high of 4.57 percent. The SARS outbreak in 2003 also exacerbated Taiwan’s sagging economy, which played an important role in obstructing the passage of the special budget proposed in 2004.

Table 6.2 Taiwan’s regular defence budgets, 1994-2008

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Military budget (NT$ billions)</th>
<th>Military budget (US$ billions)</th>
<th>% GDP</th>
<th>% of total government spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>258.5</td>
<td>9.8</td>
<td>3.8</td>
<td>24.3</td>
</tr>
<tr>
<td>1995</td>
<td>252.3</td>
<td>9.5</td>
<td>3.5</td>
<td>24.5</td>
</tr>
<tr>
<td>1996</td>
<td>258.3</td>
<td>9.5</td>
<td>3.4</td>
<td>22.8</td>
</tr>
<tr>
<td>1997</td>
<td>268.8</td>
<td>9.4</td>
<td>3.3</td>
<td>22.5</td>
</tr>
<tr>
<td>1998</td>
<td>274.8</td>
<td>8.2</td>
<td>3.2</td>
<td>22.4</td>
</tr>
<tr>
<td>1999</td>
<td>284.5</td>
<td>8.8</td>
<td>3.2</td>
<td>21.6</td>
</tr>
<tr>
<td>2000</td>
<td>402.9</td>
<td>12.9</td>
<td>2.9</td>
<td>17.4</td>
</tr>
<tr>
<td>2001</td>
<td>269.8</td>
<td>8.0</td>
<td>2.9</td>
<td>16.5</td>
</tr>
<tr>
<td>2002</td>
<td>260.4</td>
<td>7.5</td>
<td>2.7</td>
<td>16.4</td>
</tr>
<tr>
<td>2003</td>
<td>257.2</td>
<td>7.6</td>
<td>2.6</td>
<td>15.5</td>
</tr>
<tr>
<td>2004</td>
<td>261.9</td>
<td>7.8</td>
<td>2.4</td>
<td>16.7</td>
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<tr>
<td>2005</td>
<td>258.5</td>
<td>8.0</td>
<td>2.3</td>
<td>16.1</td>
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<tr>
<td>2006</td>
<td>252.5</td>
<td>7.8</td>
<td>2.1</td>
<td>16.1</td>
</tr>
<tr>
<td>2007</td>
<td>304.9</td>
<td>9.2</td>
<td>2.4</td>
<td>18.7</td>
</tr>
<tr>
<td>2008</td>
<td>341.1</td>
<td>10.5</td>
<td>2.5</td>
<td>20.2</td>
</tr>
</tbody>
</table>

\textit{Note:} The FY2000 budget included the 18-month period from July 1999 to December 2000. \\


Others indicate that the evolving civil-military relationship in a democratising Taiwan unavoidably complicates the weapons procurement process (as well as defence reform).\textsuperscript{20} An unfortunate episode during and immediately after the highly contested 2004 presidential election reveals President Chen’s obvious lack of trust in his military leaders. Chen accused senior military officers of attempting to conduct a ‘soft’ \textit{coup d’etat} to prevent him from remaining in office, despite the absence of concrete evidence supporting this allegation.\textsuperscript{21} The growing statutory involvement of the LY in the evaluation and approval of major weapons systems has increased the level of transparency in the procurement process, but it has also opened up the procurement black-box to political manipulation and slowed the effort to push for acquisitions agreed upon by the Taiwan military and the executive branch. Many Pan-Green members of the LY remain suspicious of large segments of the officer corps, which is still regarded as a pro-KMT bastion. Legislators from virtually all political parties tend to see the military leadership as excessively secretive and prone to corrupt with foreign and domestic arms dealers.\textsuperscript{22} As a consequence, these suspicions lead many legislators to reduce defence spending in general and the size of the army in particular. Furthermore, the level of defence expertise among members of the LY (or even of its National Defence Committee) remains low, mainly for the following reasons: first, the general lack of such expertise within civilian society as a whole; second, the small size of the LY research staffers that can provide analyses for the legislators on subjects related to defence affairs; and, third, the absence of

\textsuperscript{22} This tendency was reinforced by the still-unsolved murder in 1993 of an active duty ROC Navy Captain Yin Ching-feng. Yin headed the navy’s acquisition office at the time of his death and was apparently killed as a result of the scandal involving Taiwan’s purchase of French Lafayette-class frigates (FFG).
incentives within the LY to acquire such expertise.\textsuperscript{23}

Taipei’s slowness and reluctance to invest in the aforementioned weapons systems and platforms increasingly aroused suspicions in Washington that Taiwan was attempting to avoid high defence costs based on the assumption that the United States would come full force to its rescue if a crisis occurred with the PRC. US officials and security experts were upset that Taiwan was not prepared to purchase the defence items that it had been requesting from the United States for years, which appears that there is a surprising lack of interest, on the part of Taiwan, to invest in the defence capabilities to the extent they consider necessary. For them, maintaining a robust and capable posture should be the most prudent course of action for Taiwan, regardless of party, politics, or ideology.\textsuperscript{24} For one thing, even for those who are in favour of some sorts of unification with the mainland, an anaemic defence posture would place Taiwan in a disadvantageous position on the negotiation table. For another, allowing Taiwan’s military spending to shrink would invite risk taking on the part of China. Last but not least, even if the United States were to intervene, US naval forces dispatched to Taiwan would face time-distance constraints, and the willingness of US allies in East Asia to support such military intervention cannot be guaranteed.\textsuperscript{25}

The most plausible explanation about Taiwan’s delay to complete its Three Major Military Procurement Projects, then, is Taipei’s irresponsible ‘free-riding’ which intends to exploit the implicit US security commitment to advance the course of Taiwan independence at the expense of the US-PRC relationship.\textsuperscript{26} Only a few

\textsuperscript{23} Swaine, ‘Taiwan’s Defense Reforms and Military Modernization Program, p. 152.

\textsuperscript{24} Logan and Carpenter, ‘Taiwan’s Defense Budget’, pp. 4-5.

\textsuperscript{25} Taiwan’s MND estimates that the island will have to ‘hold off’ for two weeks before effective US forces could arrive on the scene, but a retired US Navy officer argues that it would take at least a month. See Cole, Taiwan’s Security, pp. 180-81.

\textsuperscript{26} Ted Galen Carpenter, America’s Coming War with China: A Collision Course over Taiwan (New York: Palgrave, 2005) captures this concern among foreign policy elites in Washington, although his policy recommendation (i.e., America should promptly terminate any implied defence commitment to Taiwan so as to avoid arms conflicts with China) ignores a long-standing US strategy of using Taiwan as a pawn to check China.
observers believed that the stand-off between the DPP government and the opposition parties does not symbolise a lack of commitment to Taiwan’s self-defence; as one former official in the Pentagon involved in arms sales decisions wrote, the impasse stems more from ‘fundamental differences over how to best manage limited economic resources to ensure the long-term survival of Taiwan’s democracy in a difficult environment’.  

The Bush administration’s policy on arms sales to Taiwan was right, it was argued, but it just came at the wrong time.

As the prospects of the passage of the special budget in the LY (and funded at the full level) became more and more dubious in 2005, the voices of criticism increased in chorus. Several harsh speeches and remarks were made by the top echelons of the Bush administration, Congress, and Taiwan watchers in the media.  

In his keynote address to the US-Taiwan Defense Industry Conference in October 2004, Richard Lawless, Deputy Under Secretary of Defense for Asian and Pacific Affairs, warned that ‘If the budget fails to pass…that failure will have repercussions in the United States, will have repercussions for Taiwan’s friends, and it will be regarded as a signal, if you will, as to the attitude of the legislature toward national defense for Taiwan’.  

A legislator from the opposition People First Party (PFP) thus complained that Taiwan is on one side threatened by a ‘thug’ (China) and, on the other side, extorted by a ‘mafia leader’ (the United States) to pay protection money.  

In May 2005, the Congressional Taiwan Caucus of the House of Representatives sent a letter to

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30 The virtual absence of any discussion about the ‘US threat’ in Taiwanese security discourse suggests that, because the US and the PRC are on the different sides, being pro-US is a psychological necessity for those who wish to differentiate Taiwan from China.
then-KMT Chairman Lien Chan, urging him to end his party’s campaign to block passage of the special budget by supporting it ‘in full and without further delay’.  

On behalf of Lawless, Defense Security Cooperation Agency Director Edward Ross delivered a speech at the following US-Taiwan Defense Industry Conference, criticising that the special budget has become a ‘political football’ kept in play ‘more to entertain the players—the politicians—than to serve the real needs of Taiwan’. He declared that, as an island ‘in a close proximity to a threat’ but with limited resources, Taiwan is obligated to maintain a viable self-defence by acquiring ‘advanced technology to meet its defense needs’ rather than simply relying on the United States to tackle that threat:

For too long, the Taiwan Relations Act has been referenced as purely a U.S. obligation… Under the TRA, the U.S. is obligated to ‘enable’ Taiwan to maintain a sufficient self-defense, but the reality is, it is Taiwan that is obligated to have a sufficient self-defense. There is an explicit expectation in the TRA that Taiwan is ready, willing, and able to maintain its self-defense. Taiwan must fulfil its unwritten, but clearly evident obligation under the Taiwan Relations Act by appropriately providing for its own defense while not simply relying on the U.S.’s capacity to address a threat in the Strait. The TRA requires both parties to do their part to deter aggression or coercion vis-à-vis Taiwan.  

Lawless’ statement thus reflects not only Washington’s anxiety about Taipei’s (ab)use of the ‘TRA card’ when the US military has been engaged heavily in the world, but also a mainstream view among American foreign policy elites that Taiwan’s failure to implement the arms procurement programme in a timely manner and the resulting (perceived) erosion in the island’s defence capabilities adversely affect the status

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31 Another public letter was addressed to President Chen, with that same message. See Cole, Taiwan’s Security, p. 231, n. 32.
32 The speech was read at the Defense Industry Conference of the US-Taiwan Business Council, in San Diego, California, on 19 September, 2005, while Lawless was delayed in Beijing at the Six-Party Talks on North Korea’s nuclear weapons. See also Jewel Huang, ‘Stand Up for Yourselves, Lawless Tells Taiwanese’, Taipei Times, 21 September, 2005; Yun-ping Chang, ‘Upgrade Defense Abilities: Japanese Expert’, Taipei Times, 6 November, 2005.
However, given Taiwan’s special budget stalemate and perceived need to promptly upgrade its self-defence, US senior civilian officials and military officers too could not fully agree upon questions about which weapons systems should receive priority in Taipei’s procurement process. For instance, Admiral William Fallon, head of the Pacific Command (PACOM), argued that Taipei and Washington should effectively concentrate Taiwan’s military resources in more defensive weapons, such as air-to-air and ground-based anti-aircraft missiles, attack helicopters and mines to defend the beaches against amphibious invaders, and transport helicopters to move troops against invading paratroopers. He also suggested that items in the arms package with offensive features (i.e., submarines) should be allowed to fade away.  

In the meantime, a number of reports painted a more complicated picture, indicating that some officials in the US Navy, National Security Council and State Department, fearful of a re-introduction of conventionally powered submarines into the US inventory, were actually conspiring to discourage Taiwan from acquiring the submarines by inflating the price and refusing to accept a phased approach.

Curiously, critics of Taiwanese intention on self-defence generally point to the Pan-Blue opposition parties’ political obstructionism against President Chen and the

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33. When I presented a working version of this chapter at the University of California, Santa Cruz, in July 2006, an official from the American Institute in Taiwan (AIT) approached me after my presentation, gently informing me that Taiwan’s acquisition of the weapons systems offered by the United States is necessary if the island is to be in a position to negotiate the future of cross-Strait relations from a position of strength.

34. Richard Halloran, ‘US Urges Taiwan Not to Buy Offensive Weapons’, *Washington Times*, 8 October, 2005. Fallon’s remarks that defensive weapons would also have the benefit of being less provocative to China clearly stem from a core offence-defence balance thinking (which will be discussed in details in the next section) as seen in his interview with the *Associated Press* on 16 October, 2005: ‘The big goal is, no military interaction, long-term stability—you guys solve your problem peacefully. Now what’s the smartest way to get there?’

35. MacWilliam Bishop, ‘US Said To Be Blocking Sale of Subs’, *Taipei Times*, 20 February, 2006. Therese Shaheen, former AIT Chairwoman, was widely reported as saying it would be ‘silly’ for Taiwan to spend its limited defence funds on submarines.
DPP as a fundamental cause of the special budget debacle,\textsuperscript{36} without mentioning important grass-root movements against the Three Major Military Procurement Projects in late 2004.\textsuperscript{37} On 14 September, the LY resumed session during which the government expected that the special budget with a reduction of $3 billion would be approved. However, the Anti-Arms Purchasing Alliance and Democracy Action Alliance, with support from 11 scholars from the Academia Sinica, 150 retired generals and several university presidents, rallied thousands of protesters marching toward the Presidential Office, calling upon the government to scrap this arms procurement programme. On 25 September, over 10,000 protesters held the banners reading ‘education, development, social welfare, not military purchases’ and marched through the streets of Taipei. On 24 October, nearly one thousand others joined a demonstration in Kaohsiung, also organised by the Anti-Arms Purchasing Alliance. The Democracy Action Alliance had also waged hunger strikes outside the LY, in case Pan-Blue legislative caucuses did not keep their promise to boycott the statute governing the special budget in the Procedure Committee.\textsuperscript{38}

These activists had raised four major concerns with respect to the special defence budget. First, the hefty military spending is likely to force the government to squeeze social welfare and education budgets. If the special budget was financed by selling state-owned land and issuing state stocks and bonds, which would exhaust the people and drain the treasury, that revenue should be used for more pressing issues such as education and disaster relief. Second, those weapons systems and platforms would not

\textsuperscript{36} The DPP was the biggest party in the LY during the term of 2004-2008, but the Pan-Blue coalition as a whole possessed a slim majority. Partisan political bricking had convulsed Taiwan since the election of Chen Shui-bian in 2000 and further exacerbated after Chen’s re-election in March 2004, as the KMT believed that a mysterious assassination attempt against Chen the day before the election helped him to win by very narrow margin (Chen secured only 50.02 percent of the vote).


be delivered to Taiwan until after 2010. If the PRC decided to attack Taiwan, its leadership would take action before Taiwan can receive the weapons from the United States and operate them. Third, this arms procurement programme might provide Beijing a pretext to continue to increase its military power, which would lead to an arms race with the PRC. If the mainland continues its missile build-up opposite Taiwan and the United States continues its sales and deliveries of weapons systems to counter that threat, Taiwan in this arms race cannot possibly prevail in the long run. Taiwan’s security relies not only on military equipments but also on political, economic, social, and psychological attributes. Fourth, on this special budget issue democratic procedure such as national referendum should be gone through.39

In contrast, Pan-Blue opposition parties tended to maintain an ambiguous (and, as will be seen below, self-contradictory) position on the fate of the 2001 arms package. KMT and PFP politicians initially cited three reasons stymieing the purchase of the package: first, they argue that the cost is excessive (and occasionally suggested slashing its budget and being funded through the regular defence budget). Some perceive it as a form of ‘insurance payment’ to the United States, rather than a needed self-defence investment. In addition, many LY members along with much of the public believe that US military industry circles—perhaps with collusion from their Taiwan contacts—drive US arms sales policy, thus resulting in inflated prices or attempts to ‘dump’ obsolete weapons on Taiwan. The high cost of diesel-electric submarines (initially more than $12 billion), which is nearly five times more expensive than that of the international market, further reinforces such perception, although the fact that US companies no longer produce conventional submarines and other foreign governments are reluctant to allow their shipbuilders to provide

necessary design information may also contribute to that outrageous price tag.\textsuperscript{40} Ironically, it was the KMT government that presented the arms request ‘wish list’, including items of the controversial 2001 arms package, to the United States during the 1990s. As noted earlier, the KMT had also used special budgets to fund procurement of F-16 A/B jet fighters in the 1990s.

Second, the Pan-Blue camp holds that the weapons systems Washington has provided may not meet Taiwan’s defensive needs. Some within the LY and the Taiwan military were sceptical about ballistic missile defence systems such as the PAC-III; Deputy Minister of National Defence Chen Chao-min, for instance, had publicly questioned the Patriot’s performance in Operation Iraqi Freedom in 2003.\textsuperscript{41} Even if one accepts the US Army’s report that the Patriot missile defence system intercepted nine Iraqi missiles out of nine engagements, Taiwan’s to-be-delivered PAC-III batteries would be easily exhausted or saturated in a massive SRBM strike from the PRC. Missile defence later became politicised, when President Chen pushed for a referendum held in tandem with the 2004 presidential poll on buying more missile defence systems. That referendum was declared invalid because only 45 percent of eligible voters took part (with 50 percent needed).\textsuperscript{42} As a backlash against Chen’s election tactic, the KMT and PFP lawmakers insisted, not unreasonably, that they objected to acquiring the PAC-III missiles for three years because the referendum

\textsuperscript{40} Roy, ‘U.S.-Taiwan Arms Sales’, p. 4. Despite the cost concern, the MND rejected a cheaper option of buying US-refurbished submarines from Italy for fear of domestic criticism. See Wendell Minnick, ‘Submarine Decisions Show Lack of Creativity,’ \textit{Taipei Times}, 16 October, 2004.

\textsuperscript{41} For the Department of Defense’s rebuttal of the MND’s questioning of the effectiveness of the Patriot missile, see ‘The US Says the Patriot Interception Rate Is 100%’, \textit{United Daily}, 29 March, 2003.

\textsuperscript{42} The relevant question from the referendum was: ‘The people of Taiwan demand that the Taiwan Strait issue be resolved through peaceful means. Should Mainland China refuse to withdraw the missiles it has targeted at Taiwan and openly renounce the use of force against us, would you agree that the government should acquire more advanced anti-missile weapons to strengthen Taiwan’s self-defence capabilities?’ Among the valid ballots cast, 92 percent agreed with the proposal. Since it is all to easy to anticipate Taiwanese’s attitude on China’s use of force and the missile defence issue, holding the referendum is not about forging national consensus as the government proclaimed, but about demonstrating the existence of the China threat.
amounted to a public veto of the purchase.\footnote{According to the Referendum Law (Article 33), any item put to a referendum, after being approved or rejected, cannot be put to public vote again for three years. See ‘KMT, DPP Debate Tsai’s Logic on 2004 Referendum’, \textit{Central News Agency}, 30 September, 2005.}

Third, the Pan-Blue coalition contends that such a military build-up will make the pro-independence Chen administration even bolder in taking actions that might be seen as provocative by Beijing and thus exacerbate tensions across the Taiwan Strait. From their point of view, the greatest destabilising factor for Taiwan’s security is not so much China’s increasing military power as it is the tendency of President Chen and other prominent DPP members to take steps toward \textit{de jure} independence that risk angering China and alienating the United States at the same time. KMT politicians argue that the DPP’s approach to cross-Strait relations cannot deal with the contradiction between confrontational behaviour toward the mainland on the one hand and lack of resources to support high levels of defence spending on the other. A corollary of this argument is that a stable relationship with the PRC would allow Taiwan to spend less on defence without diminishing its security. On this basis, the KMT has adopted a vision for the future that centres on maintaining Taiwan’s \textit{de facto} independence, a strategy defined as ‘no unification, no independence, and no use of force’ by the new Ma Ying-jeou administration before and during its 2008 presidential election campaign.\footnote{Ma Ying-jeou Office, ‘Defense White Paper of the KMT: A New Military for a Secure and Peaceful Taiwan’, 2 September, 2007. See also Michael S. Chase, ‘The Kuomintang’s Security Policy and Taiwan’s 2008 Legislative and Presidential Elections’, \textit{China Brief}, Jamestown Foundation, 13 December, 2007; and Chi Su (now Secretary-General of the National Security Council), ‘Taiwan Security: KMT’s Perspective’, US-Taiwan Business Council, Denver, Colorado, 11 September, 2006.}

As all political parties were gearing up for the legislative election in December 2004, the special budget thus became a political issue, a ‘guns or butter’ debate that could provide the opposition alliance a platform to challenge the ruling DPP. The intense lobbying for the bill by the Chen administration and the arguments against the bill presented by activist groups and the Pan-Blue coalition had created the first
significant public debate on defence policy in Taiwan. Although these debates, together with a slight victory by the KMT-PFP alliance in the 2004 legislative election, to some extent can be interpreted as a common aspiration of the Taiwanese people on stable cross-Strait relations, the *status quo*, and economic development, opponents of the special defence budget did not directly address the core argument of the Taiwan and US governments about the troubling implications of the growing military imbalance across the Taiwan Strait.

As Deputy Minister of National Defence Tsai Ming-hsien wrote during the height of the anti-military procurement movement, ‘the greatest threat to stability in the Taiwan Strait is the temptation for the PLA to act because they perceive that the military balance is tilted in their favor’.\(^{45}\) To preserve the peace currently enjoyed by the people of Taiwan, Tsai contended that arms procurement is necessary to deter China by making any potential PLA invasion more costly for China. Along the same vein, Bernard Cole argued that the question of ‘fair price’ is a legitimate concern, but its importance should be weighed against the degree of danger perceived by Taipei: ‘If Beijing’s threat to employ military force against Taiwan is taken seriously, and the relatively rapid modernization of the PLA is taken into account, then the “cost” side of the cost-benefit equation is significantly skewed in the direction of needing the weapons, now’.\(^{46}\)

In October 2004, the MND Integrated Assessment Office issued a report indicating that after the special budget is approved and weapons systems (including fighter planes of the next generation to be acquired during 2020-2035) are deployed, the attack-defence ratio of naval and air forces between the PLA and Taiwan military will maintain 1.67:1 until 2035. The report thus declared that the pending arms

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\(^{45}\) Ming-hsien Tsai, ‘Peace in Our Time, or Peace in Our Terms?’ *Taipei Times*, 5 October, 2004.

procurement once implemented would ‘prevent Communist China from initiating war recklessly and secure national security for thirty years’.47 Such ‘finding’ was repeatedly endorsed by top officials of the Chen administration, including the Premier and Minister of National Defence, by claiming that the special arms package would deter China from waging war and ensure peace for thirty years in the Taiwan Strait; failure to correct the perceived military imbalance across the Strait (understood as an offence-defence balance of military technology favouring the offence) is tantamount to encouraging the PLA to attack Taiwan within five to ten years.48

The MND apparently overstated the deterrent value and operational utility of the weapons systems Washington approved in 2001 in terms of its ‘thirty years’ estimate, which does not fit well with its existing assessment that the equipment and supplies Taiwan’s military currently possesses could sustain a conflict with the PRC for two weeks at the most.49 In addition, that estimate was offered without clear regard for China’s almost certain continued effort to improve its military capability; the PLA is not standing still after all.50 This misstep notwithstanding, the core of official arguments for arms sales in Taiwan and the US based on the assessment of the cross-Strait military balance remained intact.

Indeed, without touching upon this dominant mode of interpreting the danger of Chinese military power, the justifications outlined above against the passage of the special bill or the increase of defence spending eventually collapsed. While the Pan-

47 Cited in http://www.gov.tw/EBOOKS/TWANNUAL/show_book.php?path=3_004_073. This assessment report draws from the conventional wisdom that the ratio of forces needed by the attacker in order to effectively overcome its adversary defending fixed positions is 3:1; it defines 1.5:1 as the baseline, the zero-point indicating the transition to a full defensive advantage. It is unclear as to whether the 3:1 ratio, derived from land warfare experience, is a useful indicator for naval and air warfare.
48 See, for example, ‘Defense Chief Sees Mainland Attack in 5 to 10 Year’s Time’, *China Post*, 10 March, 2005.
49 Annie Huang, ‘Taiwan Says It Would Win War with China’, *Associate Press*, 24 April, 2007. A more pessimistic estimate by the MND, presumably with an intention to influence the passage of the special budget, concluded that Taiwan would be overrun in just 130 hours. See Kathrin Hille, ‘Taiwan Conquest “Would Take Days”’, *Financial Times*, 12 August, 2004.
Blue coalition was still determined to block the Three Major Military Procurement Projects in 2006 even though the DPP government withdrew the original special budget and requested procurement of the three weapons systems through supplemental funds in its regular defence budget,\textsuperscript{51} the LY finally passed the 2007 defence budget to purchase P-3C planes, PAC-II upgrades, F-16 C/D fighters (with funds frozen pending US approval) and to conduct a ‘feasibility study’ on buying submarines. The defence budget of FY 2007 totalled NT$ 304.9 billion (US$9.2 billion), accounting for 2.4 percent of GDP. As seen in Table 6.2, that was the first year Taiwan reversed the negative trend in defence spending with an increase since 1994. In December 2007, the LY approved the final 2008 defence budget that made up 2.5 percent of GDP, including funds (but also froze some of the funds) for procurement of PAC-II upgrades, PAC-III missiles, P-3C planes, submarine design phase (pending US approval as of October 2008), F-16 C/D fighters (which Washington did not agree to sell), utility helicopters (pending US approval as of October 2008), and attack helicopters. It is therefore difficult for the KMT to avoid the charge that it was either inconsistent about the reasons it had upheld against the 2001 arms package, or putting partisan interests over national security since its latest defence white paper also registered the party’s support for increasing defence spending to at least 3 percent of GDP, a goal officially stated in the DPP government’s \textit{National Security Report} issued in May 2006.

Another problem with the Pan-Blue parties’ approach of blocking the special budget without engaging the offence-defence arguments pervasive in the official justification for US arms sales is that they cannot make solid judgement on the development of Taiwan’s indigenous missile programme.\textsuperscript{52} After Chen Shui-bian

\textsuperscript{51} The supplemental budget included funds for PAC-II upgrades, not PAC-III missiles.

\textsuperscript{52} ‘Taiwan Successfully Test Fires First Cruise Missile’, \textit{Agence France Presse}, 5 June, 2005; ‘Taiwan Made 3 Cruise Missile Prototypes: Jane’s’, \textit{Agence France Presse}, 9 January, 2006; Rich Chang,
took office in 2000, Taiwan’s military changed its defence strategy from ‘resolute
defence and effective deterrence’ (fangwei gushou, youxiao hezu) to ‘effective
defence and resolute deterrence’ (youxiao hezu, fangwei gushou), and adopted the
concept of offshore engagement, seeking to win a decisive battle outside of Taiwan
(juesheng jingwai). Therefore, the DPP government emphasised the acquisition of
weapons systems capable of striking important military targets on the mainland,
which includes SRBMs and land-attack cruise missiles (LACMs). Proponents of
Taiwan’s missile build-up argued that it is a cheaper alternative to missile defence,
and the acquisition of an offensive conventional counter-force is necessary to deter
China, and if deterrence fails, to degrade China’s ability to sustain its conventional
attack against the island.\textsuperscript{53} Some went on to suggest that these counter-strike missiles
might be used pre-emptively prior to a PLA strike, or even Taiwan should acquire
offensive counter-value capacities, such as intermediate or medium-range ballistic
missiles (IRBMs or MRBMs), to threaten major Chinese cities and critical
infrastructure (e.g., the Three Gorges Dam). In April 2007, Taiwan’s Han Kuang
military exercise for the first time included demonstration of the use of the
Hsiung-feng 2E (HF-2E) cruise missile to the US assessment team.

To be sure, KMT-affiliated defence policy analysts raised doubts about the
deterrent value of conventionally armed missiles, given that the limited damage they
would inflict on the mainland and the PRC’s overwhelming superiority in surface-to-
surface missiles. These analysts were aware that the Taiwan military would need to
develop a large enough offensive counter-force capacity as well as to effectively track
and destroy PLA’s massive mobile SRBMs, and that conventional warheads are of
very limited threat for counter-value purposes especially if they could not reach

Beijing. Yet these sceptical views only question the utility of ballistic and cruise missiles as a deterrent, not the assumptions underlying the deployment of such missiles. When US officials and defence analysts expressed reservation about Taiwan’s HF-2E programme, they typically emphasised to Taipei that its actions should be ‘defensive in nature and not offensive’ and the new missiles are not the ‘short cuts’ for needed upgrades in defensive capabilities. This position assumes that the spread of ballistic or cruise missile technology is conflict-inducing and the deployment of missile defence (namely, the PAC-III system) will do the opposite. It also presupposes that offensive and defensive weapons are distinguishable. In fact, the TRA’s Section 2 (b) (5) emphatically requires the US government ‘to provide Taiwan with arms of a defensive character’.

Indeed, ballistic missiles have often been thought of as a relative offensive weapon and thus destabilising, which partly explains the existing arms control efforts to promote the Missile Technology Control Regime (MTCR). But it has also been suggested that missiles can be viewed as advantageous to the defence and thus peace-enhancing. As one military analyst puts it, ‘Ballistic missiles are made to destroy bases. They can disarm an opponent before he can move to an offensive position. It is nearly impossible to engage in military operations where incoming warheads are bursting’. From this perspective, Taiwan’s missile programme makes sense as it might help deter war and stabilise cross-Strait relations. How can we understand these two competing views of the military and political implications of the

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spread of ballistic or cruise missile technology? Do some technological developments provoke war? Do others promote peace?

The next section will provide a detailed examination of the idea that the nature of military technology affects the prospects of war and peace in the study of international security, which, as have been seen, underpins the predominant mode of interpreting the Chinese military threat in Taipei and Washington. Although the notion of the offence-defence balance at first sight offers a potentially promising tool to evaluate the extent to which China’s modernising military power is threatening Taiwan, close scrutiny suggests that the significance of the notion to the framing of China’s threat image is more complex and is better understood within the context of identity politics in Taiwan.

6.2 Offence-Defence Balance: Master Key to the In/stability across the Taiwan Strait?

Offence-defence ideas have not only pervaded the policy debates discussed in the previous section about the implications of China’s ongoing military modernisation but long provided a basis for modern disarmament and arms control policies, especially given the enormous destructiveness of modern technology. After the First World War, scholars and diplomats began to advance the view that limiting or banning weapons that make offence easier might reduce international tensions and the risk of war. The 1932 World Disarmament Conference unsuccessfully sought to classify, limit, and ultimately prohibit ‘aggressive’ armaments. But the idea of limiting weapons that favour offence while allowing those that favour defence persisted and continued to shed light on arms control efforts throughout the Cold War; Thomas Schelling, for instance, illustrated how strategic instability generated by the search for offensive
nuclear advantage could lead to inadvertent war.\textsuperscript{57} During the 1980s, supporters of the Western European peace movement advocated ‘non-offensive’ or ‘non-provocative’ defence, urging that the North Atlantic Treaty Organisation (NATO) and the Warsaw Pact should limit themselves to defensive weapons and doctrines.\textsuperscript{58} Both blocs adopted aspects of this approach to some extent. The Soviet Union under Mikhail Gorbachev attempted to reduce tensions with the West by shifting toward a defensive military doctrine. In the negotiations on Conventional Forces in Europe (CFE) of 1989, NATO sought to limit weapons with offensive capabilities. Some maintain that the notion of non-offensive defence remains relevant today in preventing (in terms of reducing the risks of war), conducting, and settling wars.\textsuperscript{59}

Against this backdrop, the foundational works on the conception of the offence-defence balance began to emerge in the 1970s and 1980s when various international relations scholars contended that nuclear weapons had given defenders a large military advantage that should have rendered the superpower nuclear arms race obsolete,\textsuperscript{60} although allusions to the idea that offensive advantages encourage conflict whereas defensive advantages promote peace can be traced back to the much older writings.\textsuperscript{61} Proponents of the concept are united under the assumption that war and


international conflict are more likely to occur when offensive operations have the advantage over defensive operations, whereas peace and co-operation are more likely when defensive operations have the advantage. They tend to describe the relative efficacy of offence and defence as the offence-defence balance, which is determined primarily by the prevailing state of military technology in a given state-dyad or international system. When technological change shifts the ‘objective’ balance toward offence, it is argued, attackers are more likely to overcome defenders quickly and decisively; moreover, when political and military leaders believe technological innovation strengthens the offence, wars of expansion, prevention, and pre-emption become more likely as well. The opposite holds when defence has the advantage.62

The significance of offence-defence assumptions in the mainstream international relations scholarship cannot be over-emphasised. For example, Kenneth Waltz holds that ‘Weapons and strategies that make defense and deterrence easier, and offensive strikes harder to mount, decrease the likelihood of war’.63 Robert Keohane and Lisa Martin opine that the importance of relative gains ‘is conditional on factors such as …whether military advantage favors offense or defense’.64 While game theorists argue that, despite all parties’ preference for a negotiated settlement, a risky and costly war can occur due to the unresolvable commitment problem inherent in pre-emptive war scenarios caused by offensive technological advantage,65 some social constructivists also endorse the assumption (unwittingly or not) that offensive

62 For a valuable collection of essays on the offence-defence balance, which includes contending views on the concept and some recent attempts to refine and test it, see Michael E. Brown, Owen R. Coté Jr., Sean M. Lynn-Jones, and Steven Miller (eds.), Offense, Defense, and War (Cambridge: The MIT Press, 2004).
advantages are more dangerous than defensive ones.

In his seminal *Social Theory of International Politics*, Alexander Wendt investigates how states can create a culture of trust, avoid excessive egoism, and achieve world peace under the condition of international anarchy. He argues that ‘When defensive technology has a significant (and known) advantage, or when offensive technology is dominant but unusable, as with nuclear weapons under Mutual Assured Destruction, then states are constrained from going to war and thus, ironically, may be willing to trust each other enough to take on a collective identity’. 66 In this sense, the offence-defence balance may provide a functionally equivalent substitute for an externally constraining central authority.

To be sure, Wendt adds a caveat that the process of creating an international culture of trust will generally need to go beyond external constraints (such as military technology) and resort to internal constraints (such as self-restraint in behaviour toward other states). In a nutshell, however, his examples of how states could credibly alleviate one another’s security fears by unilaterally giving up certain military technologies reaffirm the wide-ranging and enduring scholarly influence of offence-defence explanations in IR. Most important, if what constitutes a ‘threat’ is inter-subjectively determined between states, then the implications of an offence-defence balance may also be socially constructed—and potentially malleable (as will be discussed in detail below). 67

But the concept of the offence-defence balance has been mostly associated with

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structural realism, especially its more ‘optimistic’ versions. Unlike offensive realism that sees inter-state war and conflict as an inevitable consequence of the distribution of power under international anarchy, defensive realism posits that the degree to which one state threatens another is a function of the distribution of power filtered through the offence-defence balance. Steven Van Evera, a leading scholar of defensive realism, calls the offence-defence balance and other related variables the ‘fine-grained structure of power’ and goes so far as to declare that ‘Realism becomes far stronger when it includes these fine-grained structures and perceptions of them’. From this perspective, if power is distributed roughly equally and the nature of technology does not heavily favour offence, states may not only feel secure with defensive forces and strategies but also demonstrate their commitment to the status quo by signalling their benign intentions to other neighbouring states through such defensive postures. In other words, offence-defence variables provide a systematic method of predicting when security competition is severe and when it is not under a given international distribution of power.

The notion of the offence-defence balance can be illustrated by examples from

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69 The labels ‘offensive’ and ‘defensive’ realism do not come from the concept of the offence-defence balance or so-called offence-defence theory *per se*, although these two realist schools part ways on the issue of how much power or security states want (and thus the utility of the concept). This potential confusion is understandable since these terms have gained greater currency over other labels such as ‘aggressive’ and ‘contingent’ realism. A clear summary of the two structural realist positions can be found in John J. Mearsheimer, ‘Structural Realism’, in Tim Dunne, Milja Kurki, and Steve Smith (eds.), *International Relations Theories: Discipline and Diversity* (Oxford: Oxford University Press, 2007), pp. 71-88.

when unemployment is high, workers who are willing to accept lower-paying positions will be rewarded by the system through enabling them to find jobs sooner, and those who insist on their expectations will likely be punished by either remaining unemployed or being forced to search for a longer period, even if they are unable to measure the unemployment rate by themselves. Variations in the offence-defence balance, too, cause comparable patterns in international politics. When the balance shifts towards the defence in a given international system, a state that adopts offensive strategies will ‘produce’ its security less efficiently than other states that embrace defensive strategies. All other things being equal (e.g., roughly equivalent material capabilities), it will likely be defeated if it goes to war against another state because it does not have an overwhelming advantage in overall power to compensate the defensive advantage, regardless of its inability to measure the actual balance.

In his *Causes of War: Power and the Roots of Conflict* that is often regarded as the clearest statement of defensive realism, Van Evera argues that easy conquest is the ‘master cause’ of war, which also accompanies some other war-causing effects. His principal contention is that the relative ease of attack and defence against attack, namely the offence-defence balance, plays a key role in causing security competition and war among states. As with other progenitors of the concept, Van Evera maintains that international conflict and war are more likely when offensive military operations have the advantage over defensive operations, whereas peace and co-operation are

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72 Van Evera identifies at least eleven dangers when conquest is (or believed to be) easy: First, states more often pursue opportunistic expansion; second, states more often pursue defensive expansion; third, states resist other’s expansion more fiercely; fourth, first-move advantages are larger; fifth, windows of opportunity and vulnerability are larger; sixth, states more often adopt *fait accompli* diplomacy; seventh, states negotiate less and reach fewer agreements; eighth, states cloak foreign and defence policies in greater secrecy; ninth, states respond to others’ blunders faster and more belligerently; tenth, more intense arms racing that are harder to control; and, eleventh, offence dominance is self-reinforcing. Van Evera, *Causes of War*, p. 120.
more probable when defence has the advantage. In his definition, ‘offence’ refers to strategic offensive action, which involves the seizing and holding of territory; ‘offence dominance’ (some defensive realists prefer to use the less-misleading term ‘offensive advantage’) means that offence is easier than usual, because it is almost always easier (meaning less costly) to defend than to attack.\(^73\) Similarly, Robert Jervis defines offensive advantage as a condition in which ‘it is easier to destroy the other’s army and take its territory than it is to defend its own’. Conversely, ‘when the defense has the advantage it is easier to protect and to hold than it is to move forward, destroy, and take’.\(^74\) Therefore, the offence-defence balance is better considered as a continuum, rather than a clear-cut dichotomy; what matters is how and to what extent the balance has shifted toward either direction.\(^75\)

The special attraction of the offence-defence balance concept for its proponents comes not just from its intuitively plausible assumptions and potentially useful policy implications but also from its proclaimed contributions to the standard structural realism of Waltz, which can only yield very general predictions on the basis of changes in the aggregate distribution of capabilities. Adding the offence-defence balance to structural realism enables realist scholars to correct its ‘competition bias’ that treats intense security competition among states as a necessary consequence of the structure of the international system, which had prevented them from identifying the conditions under which states would prefer co-operation (as an important type of self-help) to competition.\(^76\) Scholars and analysts have thus been busy examining the effects of the offence-defence balance beyond the causes of inter-state war, including

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\(^73\) Ibid., p. 118, n. 2.
\(^76\) Glaser, ‘Realists as Optimists’, pp. 59-61. Needless to say, the offensive realism of John Mearsheimer also suffers from the problem of competition bias.
arms racing, arms control, alliance formation, crisis behaviour, grand strategy, military doctrine, ethnic and civil conflict, the consequences of revolutions, international economic competition or co-operation, the size and number of states or empires in the international system, and so on.\footnote{For comprehensive lists of works that either apply, test, or critique the offence-defence balance in these categories, see ‘Suggestions for Further Reading’ in Brown, Coté, Lynn-Jones, and Miller, \textit{Offense, Defense, and War}, pp. 439-44; and Lieber, \textit{War and the Engineers}, pp. 182, n. 5.}

If moderate or co-operative behaviour (e.g., defensive military posture) among most states can be the best route to security in international politics as defensive realism holds, does this imply that the security dilemma—‘[m]any of the means by which a state tries to increase its security decrease the security of others’—could be mitigated or even escaped?\footnote{Jervis, ‘Cooperation Under the Security Dilemma’, p. 169. Of course, this is not the only definition in the security dilemma literature. Ken Booth and Nicholas J. Wheeler, \textit{The Security Dilemma: Fear, Cooperation and Trust in World Politics} (Basingstoke: Palgrave, 2008) refers this conventional definition to the ‘security paradox’ category. This chapter mainly deals with Jervis’ formulation because it is most frequently associated with defensive realism.} To be sure, this question does not preclude the possibility that aggressive states may adopt hostile expansionist policies regardless of the security environment in which they operate. The point is that the security dilemma illustrates how states that are relatively satisfied with the status quo, mostly concerned with national security, and mainly taking defensive measures can fail to co-operate and get caught in an unintended, unwanted, and unnecessary conflict.

According to Jervis, the severity of the security dilemma can vary. When states are less vulnerable, they are more likely to be able to trust others and co-operate; under such conditions, there is no need to launch pre-emptive attacks or to match real or potential military capabilities of other states. Jervis primarily concentrates on two variables that affect whether an increase in one state’s security reduces the security of others: whether offence or defence has the advantage on the battlefield (namely, the offence-defence balance), and whether defensive capabilities and policies can be
When the balance favours offence, he holds that there are several consequences that make it difficult for \textit{status-quo} states to co-operate. First, wars will be short and profitable for the winner (hence striking first becomes a tempting option for all states).\footnote{Ibid., pp. 185-87. For a more sophisticated discussion on weapons as ‘ambiguous symbols’, see Booth and Wheeler, \textit{The Security Dilemma}, chap. 2.} Second, arms races become more intense because small advantages in armament levels may still have decisive consequences in a short war. Third, states will recruit allies in advance since international politics becomes more rigid and polarised.\footnote{Steven Walt argues that offensive advantages make offensive capabilities more threatening and thus more likely to lead to a world of tight alliances and few neutral states. See Walt, \textit{The Origins of Alliances}, pp. 24-25n, and 165-67. See also Thomas J. Christensen and Jack Snyder, ‘Chain Gangs and Passed Bucks: Predicting Alliance Patterns in Multipolarity’, \textit{International Organization}, 44:2 (1990), pp. 137-68; and Thomas J. Christensen, ‘Perceptions and Alliances in Europe, 1865-1940’, \textit{International Organization}, 51:1 (1997), pp. 65-97.} Fourth, decision-makers will perceive ambiguous information as threatening because they cannot afford to be the victim of an attack. In short, wars of expansion, accidence, prevention and pre-emption are more likely when the offence-defence balance favours offence. On the other hand, when the balance favours defence states are more likely to feel secure and act benignly, which in turn mitigates the destabilising effects of the security dilemma.\footnote{Because variations in the offence-defence balance affect the severity of the security dilemma, offence-defence theory is sometimes known as ‘security dilemma theory’. Van Evera sees this label as a misnomer, since wars caused by revisionist states do not stem from the security dilemma, which supposes states in the dilemma only strive to maintain their relative positions in the international system. Van Evera, \textit{Causes of War}, p. 117, n. 1. Two observations are worth noting here. First, Van Evera seems to assume that aggressive states’ malign designs will still likely be halted so long as conquest is (or believed to be) difficult. Second, he contradicts the basic structural realist assumption about state motivation (i.e., security-seeking driven by fear) since he allows of the existence of dissatisfied or ‘greedy’ powers in his scheme.} 

The other major variable that influences how strongly the security dilemma operates is whether weapons and military postures that protect the state are distinguishable from those that provide the capability for attack. If so, Jervis argues that a state can increase its security without reducing that of others. When the defence is at least as potent as the offence, the ability to differentiate between offence and

\[\text{distinguished.}\]
defence enables status-quo states to simultaneously protect their respective territories, signal their peaceful intentions and identify one another by deploying defensive forces, thereby minimising unnecessary conflict. Moreover, it will be easy to identify aggressor states before they attack, and states will find it easier to negotiate arms control agreements, thereby bolstering deterrence and security. Hence Jervis concludes, ‘The advantage of the defense can only ameliorate the security dilemma. A differentiation between offensive and defensive stances comes close to abolishing it’. 83

The question remains as to how one can define and measure the offence-defence balance. If states are unable to measure the balance or distinguish between offensive and defensive forces, or if offence-defence variables only have little actual impact on military or political outcomes, then states cannot convincingly signal their peaceful intentions and the security dilemma cannot be mitigated—at least not on the premise of defensive realism. So far various academic endeavours to define the offence-defence balance have been made. 84 Van Evera uses it to denote the relative ease of aggression and defence against aggression and offers a confusing way of measurement, which is impossible to replicate: ‘(1) the probability that a determined aggressor could conquer and subjugate a target state with comparable resources; or (2) the resource advantage that an aggressor requires to gain a given chance of conquering a target state’. 85 A more oft-cited definition is the one developed by Jervis

83 Jervis, ‘Cooperation Under the Security Dilemma’, pp. 199-201. See also Charles L. Glaser, ‘When Are Arms Races Dangerous? Rational versus Suboptimal Arming’, International Security, 28:4 (2004), p. 56. Jervis recognises that whether a weapon is offensive or defensive often depends on the situation in which it is used. Thus, the idea of controlling offensive weapons may not be entirely in line with defensive realism; in fact, status-quo powers may need some offensive forces to recapture territory lost at the outset of a conflict. Nevertheless, the basic notion of reducing the risk of war by reducing the prospects for offensive action is compatible with the main thrust of the theory.


85 Van Evera, Causes of War, p. 118, n. 2.
based on the relative marginal utility of military spending: the ratio of the amount of resources needed by the attacker to overcome the amount of resources that the defender has devoted in defence.  

Still, such a definition is operationally problematic. To measure any given offence-defence balance defined in terms of a cost ratio, it would require three steps. First, one would need to differentiate what counts as money spent on offence from money spent on defence, which depends on the ability to classify weapons systems as either offensive or defensive—overlooking the fact that the offensiveness or defensiveness of many weapons is ambiguous. Then, one would need to determine what attackers and defenders actually spent on these systems in a concrete case. Finally, one would need to estimate counterfactually ‘how much more a war’s loser would have had to have spent in order barely to prevail—or how much less the winner could have spent and still barely have won’. If the third step involves the calculation of an unobservable quantity in a given historical case, measuring the current offence-defence balance across the Taiwan Strait entails an even more intractable task.

For example, adding more submarines into Taiwan’s arsenal could strengthen the island’s self-defence capability to deter Beijing by allowing its navy to disrupt China’s critical sea lanes of communication and, if deterrence fails, to blunt a PRC attack (e.g., laying mines outside the major bases of the East and South Sea Fleets). The Bush administration’s decision (albeit half-hearted) to include diesel submarines in its 2001 arms sale package, which it claimed consistent with the provisions of the TRA, was interesting because the submarines had been deferred by the previous administrations.


on the ground that they are not defensive weapons. Even leaving aside Beijing’s obvious political penchant for accusing virtually every US arms sale of sending ‘wrong signals’ to Taiwan, enabling a torpedo-armed submarine to launch cruise missiles in effect multiplies the boat’s effectiveness by increasing its pre-emptive striking capability (and turning it into a potentially offensive weapon). The PRC’s incomplete defence expenditure figures also make it extremely difficult to estimate actual PLA expenditures on assets deployed in the Taiwan Strait area, specifically the Nanjing, Guangzhou, and Jinan Military Regions.88

Furthermore, to isolate and interpret the baseline effects of the offence-defence balance, the balance should be defined independently of disparities in the level of military skill between opposing forces.89 It must also be treated as analytically and empirically distinct from the distribution of power among states. After all, if a given state easily conquers another state, that outcome could simply result from the attacker’s numerically superior forces or resources rather than from an offensive advantage. Likewise, if only one state in a war employed a new technology or weapon, which contributed greatly to that state’s success in battle, the outcome is not necessarily indicative of the offence-defence balance. As Keir Lieber writes, ‘The effect of a new technology on the balance is ideally assessed based on battlefield evidence from a conflict between two roughly equal-sized military forces deploying

88 Office of the Secretary of Defense, *Annual Report to Congress: Military Power of the People’s Republic of China 2008* (Washington D.C.: Department of Defense, 2008) claims that China’s actual military expenditures could be two to three times higher than Beijing’s announced figures because it does not include important categories of expenditure—notably expenses for strategic forces, foreign acquisitions, and military-related research and development (R&D). An updated summary of the cross-Strait military balance by services (including China’s missile force) can be found in the appendix of that report. The PRC currently has seven Military Regions and many of its operational combat aircraft deployed outside the aforementioned Military Regions could join in combat operations against Taiwan through forward deployment, decreased ordnance loads, or altered mission profiles.

89 That is to say, one must locate cases in which states make reasonably intelligent decisions about force posture, doctrine, and strategy. On this optimality assumption, see Glaser and Kaufmann, ‘What Is the Offense-Defense Balance and Can We Measure It?’, pp. 55-57. However, Van Evera contends that military doctrines, especially those concerning the employment of a new technological innovation (e.g., the blitzkrieg doctrine), can change the balance. Van Evera, *Causes of War*, pp. 160-63.
similar weapons and technologies’. 90

In this sense, the claim that the so-called Revolution in Military Affairs (RMA) has shifted the global offence-defence balance toward offence and produced strong pre-emptive strike incentives among major powers must be qualified, 91 because most states around the world have in fact been left behind by the newest development of information and precision strike technologies. It is therefore problematic to use the NATO’s intervention in Kosovo (1999) and the United States’ quick and decisive campaigns in Afghanistan (2001) and Iraq (2003) as hard evidence to support the assertion that the RMA has completely transformed the relationship between offence and defence. By the same token, one can only safely indicate that China’s unilateral advantage over Taiwan brought about by the PLA’s 1,000-strong SRBMsWith improved ranges, accuracies, and payloads—reflects the rise of Chinese power in the post-Cold War period, not necessarily a change in the offence-defence balance across the Taiwan Strait. 92

As is shown in the previous section, however, when US and Taiwanese officials and analysts speak of the destabilising implications of the cross-Strait military balance tilting in the PRC’s favour, they quite often do not actually refer to the overall balance of military forces and resources between the two sides, which Taiwan has always been unable to compete with the mainland since 1949. Rather, the ‘balance’ in principle is mostly about the effects of military technology on war and politics, which they believe is something that had brought Taiwan a crucial defensive advantage and can

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90 Lieber, War and the Engineers, p. 29. Emphasis in original.
92 According to the Pentagon, by November 2007 the PLA had deployed between 990 and 1,070 M-9 and M-11 (or CSS-6 and CSS-7 in NATO parlance) SRBMs to garrisons opposite Taiwan. It is increasing the size of this force at a rate of more than 100 missiles per year. Office of the Secretary of Defense, Military Power of the People’s Republic of China 2008, p. 2.
hypothetically overcome even large disparities in power in determining battlefield outcomes. In practice, the cross-Strait offence-defence balance often includes other factors that purportedly shape offensive and defensive advantages in addition to technology. For instance, the US Department of Defense attributes Taiwan’s security in the past to ‘the inability of the PLA to project power across the 100-nm Taiwan Strait, the natural geographic advantages of island defence, the technological superiority of its own armed forces, and the possibility that the United States might intervene’; nevertheless, technology continues to be represented as the most significant factor in shaping the balance:

Chinese air, naval, and missile force modernization is increasing demands on Taiwan to develop countermeasures that would enable it to avoid being quickly overwhelmed...In contrast, Taiwan defense spending has steadily declined in real terms over the past decade. Taiwan has traditionally acquired capacities, some asymmetric, to deter an attack by making it too costly, while buying time for international intervention. Taipei is continuing to acquire such capacities, but the growth of PLA capacities is to outpacing these acquisitions.

The Pentagon has thus been closely monitoring how China’s budgetary increases have accelerated PLA modernisation in each service and boosted the percentage of its ‘modern systems’ through domestic production and foreign acquisition. It is particularly concerned with how the PLA integrates defence and non-defence sectors to leverage the latest dual-use technologies on the market and the output from China’s expanding science and technology base. The acquisition of advanced Russian and

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93 Likewise, the Japan Defence Agency notes in Defence of Japan 2005 that ‘unless the Taiwanese forces effectively improve their strength, the military superiority would be gradually shifting to the Chinese side in and after 2006’ (p. 14). Such ‘superiority’ appears to be created by the perception of an offence-defence balance of military technology.


96 In the Pentagon’s report of 2008, for surface and subsurface forces ‘modern’ is defined as those platforms that are capable of firing an anti-ship cruise missile. For air forces, ‘modern’ is defined as the fourth generation platforms or those with equivalent capabilities. Modern air forces are defined as advanced Russian surface-to-air missiles (SAMs) such as SA-10 and SA-20 and their domestic equivalents (p. 34).
indigenous ‘fourth generation’ fighter planes, including Su-27, Su-30MKK (US-produced F-15 comparable two-seat variant of the Su-27) and F-10, has reportedly enabled the PLA Air Force to conduct all-weather attack missions with better precision-guided missiles and electronic warfare technology. With air refuelling, its combat radius can exceed 2,500 miles, covering not only Taiwan but also US air force bases in Okinawa and Guam. The Pentagon believes that the PRC is devising means to use those SRBMs deployed opposite Taiwan—together with the Russian-built Sovremenny II-class destroyers and SS-N-22 Moskit/Sunburn supersonic anti-ship cruise missiles (ASCMs) specifically designed to attack US aircraft carriers—for anti-access and local sea-denial missions that would complicate naval operations by the United States or Japan in waters surrounding Taiwan. The PLA Navy has also been enlarging its fleet of advanced submarines both indigenously (e.g., nuclear-powered Type 093/Shang-class attack submarines and Type 094/Jin-class ballistic missile submarines) and through acquisitions from Russia (i.e., Kilo-class equipped with the SS-N-27B/Sizzler supersonic ASCM). In addition, a Wing-In-Ground-Effect Landing Craft production line has been established with Russian assistance in an effort to strengthen the PLA’s amphibious capability. Finally, Washington is no less wary of China’s emerging cyberwarfare capabilities and multi-dimensional space programme. It warns that China’s successful test of an anti-satellite weapon and the launch of its first lunar orbiter in 2007 demonstrate the PLA’s ability to attack satellites operating in low-Earth orbit and the potential to conduct military counter-space operations.

The Taiwan Strait issue is indicative of the division among proponents of the offence-defence balance concept about how to identify the causal factors that determine the balance. The ‘narrow’ approach concentrates almost exclusively on how changes in military technology influence the relative advantages of attack and defence,
whereas the ‘broad’ approach incorporates various variables other than technology. Van Evera argues that the narrow approach is incomplete because the relative ease of attack or defence is determined by a set of causal factors; assessing the net offence-defence balance requires one to take military factors (such as technology, doctrine, force posture, and deployments), geography, social and political order, and diplomatic arrangements (such as collective security systems, defensive alliances, and balancing behaviour by ‘neutral’ offshore states) into calculation. To be sure, this divergence among defensive realists in part stems from their different research focus as the narrow approach is concerned with whether there is something unique about technology that affects the likelihood of war and peace. But adopting the broad approach makes an already complex concept even more difficult to operationalise. By incorporating factors unique to particular states (e.g., geography and alliance behaviour), it also turns the offence-defence balance into a variable that is not essentially exogenous to states, and the resulting theory is no longer structural as defensive realists proclaim.

Unfortunately, Van Evera provides no clue—coding criteria in particular—for identifying how technology (and the other factors as well) gives an advantage disproportionately to offence or defence at any given time. Nor does he indicate how all these factors under the rubric of the offence-defence balance should be aggregated as well as weighted in situations where both offence-conducive and defence-conducive factors are present. Without adequate guidance, his readers are left wondering how they can apply this concept other than relying on ‘author’s estimates’ to categorise the balance in actual periods of history, let alone offering prescriptions.

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99 Lieber, War and the Engineers, pp. 33-34.
with ‘wide real-world applicability’. These methodological flaws notwithstanding, the conceptual logic of the offence-defence balance has pervaded policy debates on Taiwan’s national security in the areas of conventional strategy, doctrine, deterrence and arms control, as if the balance had been clearly measured and would be useful to help Taipei adopt optimal military postures.

The notion of offshore engagement rising to prominence in the Chen administration’s strategic planning in part reflected its belief that the RMA has tilted the offence-defence balance toward offence (hence the development of its missile programme as a cost-effective means of deterrence). On the other hand, Washington believed that if Taiwan had sufficient offensive weapons and pre-emptive striking capabilities, the offshore engagement strategy might drive Taipei to initiate hostilities or take pre-emptive actions against what it perceives as an imminent military strike by the PLA. If such perceptions are wrong, a mini crisis could lead to an escalation and even an all-out war. The Bush administration maintained that procuring non-threatening defensive weapons, such as those in the 2001 arms package, is the most prudent course of action that Taiwan should take to reduce unnecessary tensions and enhance its security. Unlike earlier debates about whether East Asia was primed for conflict that revolved in part around competing assessments of the offence-defence balance of technology, both Taipei and Washington perceive the cross-Strait...


The offence-defence balance has shifted toward Beijing’s favour, yet the same assessment still yields different policy prescriptions. How can we make sense of this puzzle?

Critics and sceptics have indicated that offence-defence variables face serious logical, operational, and empirical problems. The litany of criticisms includes the arguments that weapons cannot be classified as offensive or defensive, that states are often unable to perceive the offence-defence balance correctly, that other variables may be more important than the offence-defence balance, that the concept has little explanatory power because the offence-defence balance almost always favours the defence, and that states may manipulate the offence-defence balance to create offensive and defensive advantages to serve their strategic goals. Rather than join in the chorus of these criticisms (which are not invalid in themselves), the next section suggests that the intrinsic ambiguities of the concept actually reveal how the idea of a cross-Strait offence-defence balance is socially constructed among regional states—Taiwan in this case—as a particular mode of interpreting the dangerousness of China’s military power, which may not be necessarily about reducing competition or preventing conflict in the Taiwan Strait per se.

6.3 The Social Construction of a Cross-Strait Offence-Defence Balance

The concept of the offence-defence balance has played an important role in scholarly and policy discourses with respect to Taiwan’s security. Given China’s military modernisation since the 1990s, it has been warned with increasing frequency that the growing ‘imbalance’ across the Strait should be taken seriously and can only be
addressed by Taiwan’s corresponding efforts to retain the technological edge over the
PLA. Due to weapon producer countries’ fear of China’s wrath and the small size of
the island’s domestic market unfavourable to indigenous design and development,103
Taiwan’s weapons acquisitions have highly depended on the United States as its
principal supplier, which is obliged to assist Taiwan in maintaining ‘a sufficient
self-defence capability’ against any non-peaceful resolution of the Taiwan issue under
the TRA.

Offence-defence ideas also appear to have policy significance to the Chinese
leadership concerning US arms sales to Taiwan. In October 2002, then-President Jiang
Zemin offered in vague terms a freeze or reduction in the PRC’s deployment of
missiles targeted at Taiwan, if the United States were to curtail its arms sales to the
island.104 According to some commentators, Beijing’s offer suggests for the first time
that China might be willing to engage in a dialogue on reversing the trend of
militarising the Taiwan Strait area, thereby reducing its most serious coercive threat
against Taiwan (i.e., SRBMs).105 The Bush administration reportedly did not respond
directly to Jiang’s linkage, but had confirmed elsewhere that ‘if the PRC meets its
stated obligations [in the 1982 Joint Communiqué] to pursue a peaceful resolution of
the Taiwan issue and matches its rhetoric with a military posture that bolsters and
supports peaceful approaches to Taiwan, “it follows logically that Taiwan’s defense
requirements will change”’.106 In this regard, offence-defence ideas seem to provide a

103 Taiwan’s acquisition of Sword Dragon-class diesel submarines from the Netherlands and Mirage
2000-5 fighters and Lafayette-class frigates from France was exceptional; no further sales of European
weapons systems have occurred so far.
104 John Pomfret, ‘China Suggests Missile Buildup Linked to Arms Sales to Taiwan’, Washington Post,
10 December, 2002.
105 Michael D. Swaine, ‘Reverse Course? The Fragile Turnaround in U.S.-China Relations’, Carnegie
Endowment Policy Brief, 22 February, 2003; David M. Lampton, ‘The Stealth of Normalization of
U.S.-China Relations’, National Interest, 1 September, 2003; and Jing, ‘Militarization of the Taiwan
Strait Issue’, p. 106.
106 Assistant Secretary of State James Kelly testified in the hearing on ‘The Taiwan Relations Act: The
Next 25 Years’, House International Relations Committee, 21 April, 2004. Cited in Kan, ‘Taiwan:
foundation for Beijing and Washington to probe the possibility of disarmament and arms control policies in relation to Taiwan.

Under scrutiny, however, many factors tend to undermine the efforts of limiting weapons that favour offence while allowing those that favour defence. One of the most significant limitations is the difficulty of identifying and restricting only ‘provocative’ weapons and forces, which renders the existing measurements of the cross-Strait offence-defence balance somewhat arbitrary or even self-contradictory. In its Annual Report to Congress concerning the military power of the PRC, the US Department of Defense warned in 2008 that the balance continued to shift in the mainland’s favour while praising Taiwan for having taken important steps to bolster its defence—especially reversing the trend of the past decade of declining defence expenditures since 2007—which ‘have, on the whole, reinforced Taiwan’s natural defensive advantages in the face of Beijing’s continuing military build-up’.

But exactly on what basis can the Department of Defense reasonably assert that US weapons systems and platforms transferred to Taiwan constitute effective means of deterrence or self-defence against potential PLA attacks, even if just for the island to buy enough time for international intervention to arrive? Furthermore, the platforms that received funds from Taiwan’s legislature had yet been delivered and fielded as of October 2008 (after the aforementioned report was released), it is unclear as to how the Pentagon can reach the conclusion that Taiwan’s recent moves have already improved its defensive advantages.


If one is to take that conclusion at face value, it would be hard to sustain current warnings of China as a military threat—including those from the US defence establishment—because even Taiwan could put on a good fight against the PLA with not-so-advanced weapons systems that either have been decommissioned (e.g., the Kidd-class destroyers) or are about to be decommissioned (e.g., P3-C Orion anti-submarine aircraft) from the US armed forces. If the Pentagon’s report is simply meant to encourage Taipei to continue to address the unfavourable offence-defence balance and thus one shall not read too much into its statement, why does Washington not provide Taiwan weapons systems with up-to-date technologies to reverse or slow the trend? For instance, the United States could have fulfilled Taiwan’s need either by supplying it with Arleigh Burke-class destroyers or by providing the Aegis combat system and assisting it in building its own warships around the radar.\textsuperscript{109} From Washington’s vantage point, potential leaks of secrets from Taiwan to the PRC should not be overlooked.\textsuperscript{110} Yet Taiwan is not unique in this regard,\textsuperscript{111} and the pressing need to strengthen Taiwan’s defence against a growing Chinese military threat—as urged by numerous US officials and pundits—should have outweighed its counter-espionage concern.\textsuperscript{112}

This shows that, behind the familiar rhetoric derived from offence-defence views, US arms sales policy toward Taiwan is ultimately determined by something else. In a

\textsuperscript{109} The United States has sold the Aegis system without platform to Japan, Spain, Norway, and South Korea. Examples of US technology transfer include Taiwan’s domestically produced Cheng Kung-class frigates, which are based on the Oliver Hazard Perry-class frigate.\textsuperscript{110} According to the Central News Agency’s report on 13 August, 2003, the FBI sent agents to Taipei to investigate alleged compromises of security on the PRC’s behalf at the Chungshan Institute of Science and Technology, which is associated with the Taiwan military. Cited in Kan, ‘Taiwan: Major U.S. Arms Sales Since 1990’, p. 13.\textsuperscript{111} In 2007, Japan Maritime Self-Defence Force staff had leaked out information about its Kongo-class destroyer, which is equipped with the Aegis system.\textsuperscript{112} Indeed, the Pentagon had reportedly conducted a classified assessment titled ‘Taiwan Naval Modernization’ in September 2000, which was said to find that Taiwan’s navy needed the Aegis radar system, along with some other items later included in the 2001 arms sale package. See Nadia Tsao, ‘Pentagon Report Says Taiwan Can Handle AEGIS’, Taipei Times, 27 September, 2000; and Michael Gordon, ‘Secret U.S. Study Concludes Taiwan Needs New Arms’, New York Times, 1 April, 2001.
nutshell, Washington is not unaware that a (perceived) clear defence dominance enjoyed by Taipei may well be seen as ‘provocative’ in the eyes of Beijing, making it even more belligerent. As one researcher affiliated with the Asia-Pacific Center for Security Studies of the Pacific Command comments on the 2001 arms sale controversy,

American anxiousness that Taiwan move [sic] quickly to purchase the weapons on offer is based on the assessment that Taiwan needs to counter the growing military imbalance in favor of the People’s Liberation Army. The underlying assumption is that balance causes peace by deterring China from attacking, while an imbalance favoring China would encourage Beijing to opt for a military solution. The prevailing view in China is the opposite: a balance increases the chances of war because it emboldens Taipei to move toward independence, which would eventually leave China no recourse but military action.113

On the surface, Washington has repeatedly stressed that the PRC’s rapid military build-up targeting Taiwan is destabilising the Taiwan Strait area and thus requires a measured response on the part of the United States; since a secure and confident Taiwan is more capable of engaging in political interaction and dialogue with the mainland, arms sales to Taiwan signify that America’s commitment to East Asian security remains steadfast and strong—but only up to a certain point. Since 1979, successive US administrations acknowledge the PRC position that military deployments along the Strait are needed for deterring what it views as ‘separatists’ activities’; from Beijing’s perspective, robust US arms sales would make Taiwanese separatists more confident to move further down the road to independence, believing that the United States will protect Taiwan under any circumstances, which in turn could hurt Washington’s own interests. Hence Denny Roy writes, ‘while large U.S. arms sales to a status quo-oriented government in Taipei might help preserve stability, the same arms sales might also provide perceived cover for a Taipei leadership

113 Roy, ‘U.S.-Taiwan Arms Sales’.
determined to change the status quo from de facto to de jure independence'. The US government is therefore likely to continue to defer Taipei’s request of the Aegis-equipped destroyers (under the pretexts such that the system could be interpreted as offensive or could involve significant interaction with the US military) until the PLA Navy acquires operationally equivalent combat capability. Similarly, the United States is unlikely to include Taiwan into its TMD system for the time being, which could have strategic implications for the effectiveness of China’s missile deterrence against Taiwan independence.

In his important work on the security dilemma, Jervis combines the two key variables discussed earlier—the offence-defence balance and whether offence and defence can be distinguished—and yields four possible worlds: (1) When offence has the advantage and offensive and defensive postures cannot be differentiated, arms races and wars are likely and co-operation will be extremely difficult to achieve. (2) When defence has the advantage but offensive and defensive postures cannot be distinguished, the security dilemma operates but is not insurmountable; status-quo states may be able to adopt compatible security policies under these conditions. (3) When offence has the advantage but weapons can be differentiated, states should be able to mitigate the security dilemma by procuring defensive forces; nevertheless, the offensive advantage may tempt states into launching aggressive wars. (4) The safest world of all is the one in which defence has the advantage and offensive and defensive systems can be distinguished.

Contemporary cross-Strait relations can fit into either the first or the third category, but China’s perceived offensive advantage has not led to the worst-case

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114 Ibid. The subtitle of Roy’s report is ‘The Perils of Doing Business with Friends’.
116 For the DPP government, the situation would be best described as Jervis’ third world, where ‘The costliness of the defense and the allure of the offense can lead to unnecessary mistrust, hostility, and war’ (ibid., p. 213). For the CCP leadership, however, China’s offensive military posture is essentially
scenario as Jervis would anticipate. To the contrary, when the US officials intensified warnings of China’s increasing military spending and missile build-up in the first half of year 2008,\textsuperscript{117} the relationship between the two sides of the Taiwan Strait was entering a new stage of \textit{détente} since the early 1990s,\textsuperscript{118} following eight years of heightened tensions during the reign of the DPP. To be sure, the resumption of cross-Strait talks was just a first step on the long and difficult road toward reconciliation between Beijing and Taipei. Still, the above development came about when the offence-defence balance was (believed to be) tilting in the mainland’s favour and there was no indication on the part of Taiwan suggesting that this purportedly adverse trend had been reversed.

The Taiwan Strait issue seems to confirm existing rebuttal of defensive realism that offensive dominance is not necessarily more destabilising and war-prone than defence dominance. Based on a formal model that incorporates the offence-defence balance and the intensity of the security dilemma, Robert Powell has argued that states increase their military allocations when the balance shifts toward offence, but such shifts do not necessarily increase the probability of war.\textsuperscript{119} Along the same vein, Peter Liberman uses German and Japanese policies before the world wars to illustrate how the belief that defensive advantages make long wars more likely and the resulting expectations of protracted wars of attrition could lead trade-dependent states to

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\textsuperscript{117} ‘Washington to Keep Supplying Arms to Taiwan: US Envoy’, \textit{Agence France Presse}, 30 April, 2008; and ‘US Defends Arms Sales to Taiwan, Criticizes Chinese Missile Buildup’, \textit{Agence France Presse}, 16 May, 2008.


conquer economically valuable territories.\textsuperscript{120} Contrary to the defensive realist belief that no one will initiate a war that appears unwinnable or very difficult to triumph, utilitarian assumptions of this kind are too simplistic to grasp various political incentives (such as honour or reputation) that make inter-state war possible.\textsuperscript{121} Likewise, assuming that there is a capability for offensive military operations under the condition of offence dominance, there will be a motivation for war is much too facile.

As noted earlier, there are two principal causal claims underpinning the concept of the offence-defence balance. According to its proponents, the ‘objective’ balance plays an important role in determining the success or failure of military operations on the battlefield, and perceptions of the balance play a no less crucial role in state security behaviour—especially national decisions to initiate war. Through two criteria commonly used to identify how technology gives a relative advantage to offence or defence,\textsuperscript{122} Keir Lieber examines whether four major technological innovations in

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\begin{enumerate}
\item \textsuperscript{120} Peter Liberman, ‘The Offense-Defense Balance, Interdependence, and War’, Security Studies, 9:1&2 (1999), pp. 59-91. Van Evera recognises that offensive capabilities can sometimes reduce the risk of war, especially when they are possessed by ‘a status quo power that faces an aggressor state’. Van Evera, Causes of War, pp. 152-60, at p. 152.
\item \textsuperscript{121} On the importance of political intent over the offence-defence balance, see Andy Butfoy, ‘Offence-Defence Theory and the Security Dilemma: The Problem with Marginalising the Context’, Contemporary Security Policy, 18:3 (1997), pp. 38-58; and Richard L. Russell, ‘Persian Gulf Proving Grounds: Testing Offence-Defence Theory’, Contemporary Security Policy, 23:3 (2002), pp. 192-213. When political stakes are significant and supported by innovative strategic schemes, war can still find a way regardless of the actual or perceived technological balance. As Jack Levy writes, military historians find it difficult to characterise the offence-defence balance of the eighteenth century and of the Napoleonic era, because both Frederick the Great and Napoleon achieved their victories primarily through tactical and strategic innovations; they ‘demonstrated what was possible given the technology of the time’. Levy, ‘The Offensive/Defensive Balance of Military Technology, pp. 231-32.
\item \textsuperscript{122} These two criteria are: (1) mobility-enhancing technologies favour offence; (2) firepower-enhancing technologies favour defence. In a detailed survey of military historians’ attempts to classify the offence-defence balance in different historical eras, Levy indicates that protection and holding power contribute more to the defence, whereas mobility is the primary determinant of the offence. Other characteristics of armaments such as firepower, rapidity of fire, and the range of a weapons system are not disproportionately advantageous to either the offence or the defence. However, he notes that such classification is still lack of precision and much less applicable to naval and aerial warfare, and that some ‘defensive’ (in the traditional, aggression-discouraging sense) armaments may be considered to be destabilising in the nuclear age. As a result, ‘hypothesized consequences of a military technology favoring the offense (or the defense) may not be interchangeable between the nuclear and pre-nuclear eras’. Ibid., pp. 225-27, at p. 226.
\end{enumerate}
\end{footnotesize}
mobility and firepower since 1850—the spread of railroads, the emergence of rifled small arms and artillery, the introduction of battle tanks, and the nuclear revolution—altered military outcomes by making victories more likely for the attacker or the defender, and whether the innovations altered political outcomes by making leaders more likely to wage war when they believed offence was favoured.\textsuperscript{123} Lieber finds, however, in these cases the actual (or, in the case of nuclear weapons, logical) effects of technology on combat outcomes were at best mixed; most often, technological developments only had minimal effects on the relative success or failure of attack or defence. Such indeterminacy results from the interaction of multiple technologies at different levels of warfare (namely, strategy, operations, and tactics) and the greater influence of other variables that underpin military capability, including the relative number and quality of the opposing forces. Furthermore, although state leaders usually did not misjudge the nature of modern military technology, the perceived offence or defence dominance of technology did not play an important part in decisions to initiate conflict as predicted by defensive realism.

In terms of explaining military and political outcomes, then, the impact of the offence-defence balance remains dubious at most. In fact, international relations scholars working on this subject have suggested recasting the concept so that it focuses on other sources of offensive capabilities, such as force employment practices, instead of technology.\textsuperscript{124} But why do civilian analysts, military officers and policy makers concerning the security situation in the Taiwan Strait continue to resort to and reproduce flawed offence-defence views in the face of the PLA’s modernising forces? To be clear, I do not disagree with the concern about the potential destructiveness of the PRC’s military capability that can be inflicted upon Taiwan; the point is that

\textsuperscript{124} See, in particular, Biddle, ‘Rebuilding the Foundations of Offense-Defense Theory’.
because under the surface neither Washington nor Taipei has ever seriously sought to change the offence-defence balance (whose existence, they claim, can be detected and measured) to Taiwan’s favour, something else is going on and requires explanation.

In the case of the United States, the notion that there exists a China-Taiwan offence-defence balance that can help determine the degree of dangerousness of the PRC’s growing military power provides a useful high ground for Washington to counter Beijing’s charge that the US does not honour its international obligations and commitments (i.e., the 1982 Joint Communiqué). From this perspective, the reason that the quality and quantity of US arms sales to Taiwan have not been reduced to the level of those applied in the years following the establishment of diplomatic relations between the United States and the PRC is precisely because Beijing has not fulfilled its obligations to pursue a peaceful resolution of the Taiwan issue. Although the value of US arms sales to Taiwan shrank from $800 million in 1983 to $660 million in 1990, China’s military modernisation since the early 1990s (e.g., the acquisition of the Su-27 fighter aircraft in 1992) provided the US government a pretext to discard its reduction schedule on the basis of offence-defence arguments. Since then, Washington has been able to (re)use Taiwan as a bridgehead to check China by supplying weapons to the island to the extent that would not fundamentally derail US-PRC relations. In other words, whether or not Beijing possesses offensive advantage vis-à-vis Taipei—real or imagined—is not the key in affecting Washington’s strategic calculus. This explains why the Bush administration postponed notifying the Congress for approving virtually all major arms sale cases to Taiwan in 2008,125 a move which is rather ironic

125 In June 2008, top Bush administrations officials, including Secretary of State Condoleezza Rice, were reportedly delaying the 2001 arms package (whose funding had been approved by the LY in 2007) as well as Taipei’s request of 66 F-16 C/D fighters for fear of irritating China during the negotiations over North Korea’s nuclear programmes. Another speculation was that Washington did not want to offend Beijing before the Olympic Games. ‘U.S. Freezes $12B in Arms Sales to Taiwan’, Defense News, 9 June, 2008; Glenn Kessler, ‘Top U.S. Officials Stalling Taiwan Arms Package’, Washington Post, 12 June, 2008; and ‘US Admiral Acknowledges Arms Sales Freeze in Taiwan’, Agence France
when one looks back to the earlier US criticisms of Taiwan’s handling of the 2001
arms package.

On the other hand, the tendency that Taiwanese officials and strategists often
seem more interested in the symbolism of the US arms sales to Taiwan than the
war-fighting capabilities that those weapons and equipment purchases could add to
Taiwan’s military is not new to US observers. In a 1999 RAND report, President Lee
Teng-hui was said to see the weapons sold to Taiwan by the United States ‘more as
symbols of reassurance and resolve than as key components of a larger force structure
designed to attain genuine warfighting objectives’. Likewise, Steven Goldstein and
Randall Schriver have noticed that US arms purchases are viewed in Taiwan mainly
‘as a symbolic indicator of American support, attaching less significance to the ability
of their military to absorb diverse weapons systems or to integrate them into a single
defense strategy’. This is well captured in a local commentator’s remark on
Taiwan’s decision to purchase the Kidd-class destroyers:

The whole notion of a Taiwan-China military balance, which US arms sales are aimed at
keeping, is ludicrous or at least not paramount in the calculations of war risks. A
determined China could certainly and easily handle a Taiwan independence movement, if
there were no direct American involvement… Taiwan continues to buy US armament to
convince China that the United States remains faithfully committed to the defence of the
island.

In this regard, Taiwanese leaders’ concern about Jiang Zemin’s offer to freeze or
withdraw missiles is not so much about the ultimate elimination of the PRC’s

*Presse*, 16 July, 2008. The Bush administration eventually notified the Congress in October 2008, but
two items Taiwan had originally sought remained pending: diesel-powered submarines and 60 UH-60
126 Michael D. Swaine, *Taiwan’s National Security, Defense Policy, and Weapons Procurement Process*
(Santa Monica: RAND, 1999), xv.
127 Steven M. Goldstein and Randall Schriver, ‘An Uncertain Relationship: The United States, Taiwan,
and the Taiwan Relations Act’, in Steven M. Goldstein and Richard Louis Edmonds (eds.), *Taiwan in
128 Joe Hung, ‘Kidd-class Destroyers’, NPF Commentary, National Policy Foundation (*Kuoji zhengce
jijinhui*), 28 January, 2003. NPF is a think tank affiliated with the KMT.
continuing military build-up against Taiwan (for any reductions or withdrawals of PLA missile deployments could be quickly reversed while the process of US arms sales to Taiwan would be difficult to restore if ever stopped) but about Beijing’s intention to undermine US-Taiwan relations, especially with reference to Washington’s 1982 ‘Six Assurances’ (including one of not holding prior consultations with the PRC on arms sales to Taiwan).\(^{129}\) Indeed, if Jiang’s proposal was taken seriously or even put into practice, that would be a blow to Taiwanese identity formation because Taiwan’s association with the United States in the military realm has long served to demonstrate its difference with China. For its part, Washington has been avoiding creating the impression that its arms transfer to Taiwan amounts to a revived US-ROC military alliance that would have serious repercussions to its relationship with Beijing.\(^{130}\) While Taipei’s emphasis on the symbolic value (rather than combat capability) of US armament can be (and has been) interpreted as a ‘weapon of the weak’ to retain Washington as its security guarantor—hopefully under any circumstances—it is no less important to appreciate the significance of US arms sales in Taiwan’s national identity construction.

For one thing, purchasing US weapons has been an essential act of establishing and maintaining Taiwan’s association with the strong, thereby providing it with certain confidence to be independent in the face of China. Moreover, such association does not require a substantial military alliance with Washington, an enhanced inter-operability with the US armed forces, or even weapons and platforms on active


\(^{130}\) Chase, ‘U.S.-Taiwan Security Cooperation’. See also Andrew D. Marble, ‘Introduction: The “Taiwan Threat” Hypothesis’, *Issues & Studies*, 38:1 (2002), pp. 1-16 and other articles appeared in that special issue. Glenn Snyder argues that there is an intra-alliance equivalent of the security dilemma, where two inversely correlated risks are involved: abandonment and entrapment. From this perspective, an over-interpretation of US commitment to Taiwan’s security through arms sales combined with a deteriorated cross-Strait relationship would increase Washington’s anxiety that its security partner attempts to draw it into an unwanted conflict with China. Glenn H. Snyder, *Alliance Politics* (Ithaca: Cornell University Press, 1997).
service in the US’s own arsenal. Taipei’s decision to procure 150 outdated F-16 A/B fighters offered by the senior Bush administration in 1992 is a case in point. Although these aircraft were not advanced C/D version used by the US Air Force and were not even equipped with some originally designed systems for firing and control upon delivery, politicians and the general public in Taiwan were highly satisfied with the deal. Indeed, the morale boosted by the F-16 sale in part paved the way for the KMT government under Lee to enter into the first (semi-)official talk with Beijing in 1993 since the end of the Chinese civil war.

US arms sales acquired more relevance in the formation of Taiwanese identity after a pro-independence DPP came to power in 2000. Washington’s approval of the big-ticket arms package in 2001 and Taipei’s subsequent campaign for the Three Major Military Procurement Projects in 2004 were useful for the purpose of (re)producing and maintaining a peace-loving, pro-Western Taiwanese identity opposite to the war-like Chinese, which, as have been shown in this chapter, could not have been possible without the articulation of an unambiguous PRC military threat based on offence-defence ideas. The notion that there exists a cross-Strait offence-defence balance of military technology that may not be always in Beijing’s favour also appears to retain the Taiwan independence movement as a viable course of action, whereas comparing relative power between the two sides easily leads one to conclude that Taiwan can no longer compete with a rising China. Of course, grasping the technological edge ultimately remains to be a contest of overall national power and military spending, but that is not the point for Taiwanese leaders (hence the gradual decline of Taiwan’s annual defence budget as a percentage of GDP until 2006, even though the government had been advocating for the special defence budget since

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131 The procurement of four E-2T Hawkeye airborne early warning aircraft in 1993 was also worth noting, given the fact that the specially tailored E-2T (‘T’ stands for Taiwan) cannot even directly communicate with Taiwanese fighters on the air.
It is important to recall that the EY’s submission of the special budget bill to the legislature for review came at a time when the legitimacy of the second Chen administration was highly contested;\textsuperscript{132} upholding the slogan ‘Love Taiwan, Protect the Homeland’ (Ai Taiwan, bao jiayuan) to counter the anti-military procurement movement, the DPP implied that those who question the US arms bill are disloyal to Taiwan and its democratically elected government or, even worse, willing China walkers. Rather than serving as a reliable analytical framework to evaluate the extent to which China’s modernising military power is threatening and guide defence policies, the debate about the offence-defence balance has effectively constituted an inseparable part of identity politics in Taiwan.

6.4 Conclusion

Using the 2004 special defence budget controversy as an illustration, this chapter has examined one particular way in which China’s modernising military power has come to be seen as threatening in Taiwan’s official security discourse. While the notion of the offence-defence balance, a conceptual backbone of defensive realism, seems to provide a potentially useful tool to assess the extent to which the PLA’s increasing capabilities are threatening, the chapter has shown that it is not the case in the Taiwanese context. Rather than providing a conceptual foundation on which Taiwan’s defence posture can be devised against potential PRC attacks, the complexities of the debate about the cross-Strait offence-defence balance is used to produce and maintain boundaries between a peace-loving Taiwan and an aggressive China. Likewise, the greatest significance of US arms sales to Taiwan is not about the utility of the

\textsuperscript{132} See note 36 of this chapter.
particular weapons systems in terms of addressing the unfavourable offence-defence balance across the Taiwan Strait, rather the way in which the arms sales themselves confirm that Taiwan belongs to a camp of which China is not a part.
PART III

POLITICAL CONSEQUENCES
Chapter 7. After the ‘China Threat’: Ethics, Interests, and Taiwan’s Foreign Policy

Having examined how China has been perceived as a threat in various Taiwanese security discourses and the underlying assumptions and internal consistency of the prevailing perceptions, Part III now turns to analysing the political consequences of the adoption of those predominant modes of interpretation. This chapter argues that, as a practice of identity formation, Taiwan’s foreign and security policy with respect to China has been mostly about drawing boundaries between the two, and the images of the ‘China threat’ in Taiwan are indicative of the emergence and consolidation of these boundaries. It will be argued that these practices have produced pernicious effects on Taiwan’s domestic politics (e.g., widespread political corruption). In this sense, the ‘China threat’ in the eyes of the Taiwanese represents a symptom rather than a cause of their identity transformation, and bringing ethics back into Taiwan’s foreign policy is necessary for the Taiwanese to refine their self-understanding (e.g., what kind of Taiwan one ought to want to be a part of and what kind of interests ought to be its proper expression).

The chapter will first discuss why it is necessary to make judgements about Taiwan’s foreign policy as an identity construction practice rather than just to describe that practice. While my analysis in the previous three chapters is indebted to David Campbell’s critique of US foreign policy whereby what Washington does can be interpreted as an exercise in consolidating America’s identity, I find it difficult to evaluate different identity constructions (be they in the United States or Taiwan) solely based on his alternative conception of foreign policy discussed in Chapter 1. To be sure, Campbell has admitted that tackling such an issue is beyond the ambit of his
work. But this question deserves attention precisely because the main thrust of his study is to illustrate that there are manifest political consequences that flow from theorising identity. Apart from exploring the boundary-drawing process whereby the subjectivity of Taiwan is continually in hock to strategies of Othering symbols and people associated with China, it is also logical to consider what modes of being and forms of life Taiwanese could adopt or should adopt.

To address this issue, the second section of the chapter will draw on the recent re-examinations of the realist tradition, especially those articulated by Richard Ned Lebow and Michael Williams, regarding the relationship between ethics and the formulation of national interests to provide a foundation for evaluating foreign policy. On the basis that ethics enables sustainable interests, the third section of the chapter will offer a critique of post-Cold War Taiwan’s foreign and security policy with respect to the PRC as a practice of identity formation in Taiwan.

The most noteworthy political consequences of adopting such a practice include the rampant corruption problem which involved the very top of the Taiwanese leadership; in order to demonstrate China is indeed outside of Taiwan, Taipei’s increasing reliance on bribes to extract diplomatic recognition of its sovereignty ultimately contaminated its own domestic politics. Another case in point is the DPP government’s approach to national identity construction that resorted to the mobilisation of social capacities and political power by casting Others as enemies could not save itself from the devastating defeat in the 2008 legislative and


presidential elections.

I conclude the chapter with a brief reprise of the main argument of this thesis: China’s threat image in Taiwan as expressed in its security discourse is indicative of its inability to cultivate a Taiwanese identity whose disposition toward difference does not succumb to the temptation of otherness, not the other way round (i.e., China is so threatening that leads to the rise of an un-Chinese ‘native’ identity uniting people in Taiwan against the threat). The perceived China threat to Taiwan is not prior to the emergence of Taiwanese identity. ‘China threats’ in the eyes of the Taiwanese are therefore more like a symptom of their difficulty in ‘becoming Taiwanese’ than a cause of such a transformation.

7.1 Theorising Identity: thinking beyond Taiwan as a ‘Society of Security’

In his thought-provoking book *Writing Security: United States Foreign Policy and the Politics of Identity*, David Campbell explores the ways in which US foreign policy has interpreted danger and consequently stabilised the boundaries of the identity in whose name it operates. According to Campbell, the constant articulation of danger through foreign policy is not so much a threat to the US’s identity or existence but rather its very condition of possibility. Moreover, while the objects of concern (e.g., the Soviet Union and its satellites, drugs, and so on) change over time, the techniques and exclusions by which those objects are constituted as dangers persist. Indeed, many of the themes examined in his study, such as a sense of endangerment ascribed to the activities of the Other, a fear of internal challenge and subversion, a tendency to criminalise or militarise responses, and a willingness to tightly draw the line between ‘us’ and ‘them’/ ‘domestic’ and ‘foreign’, have evidently become even more relevant
to the United States and elsewhere in the post-9/11 era.³

There are, of course, many similarities (and differences) in interpreting Washington’s and Taipei’s foreign policies in this way. For one thing, Chapter 2 through Chapter 4 have demonstrated that practices of differentiation and modes of exclusion are not unique to the United States. If one follows Campbell’s analysis of the politics of identity in the US, it is clear that Taiwan is also an inherently paradoxical entity; devoid of a historically stable identity, it heavily relies on the regulated and stylised repetition of practices such as foreign policy to contain contingency and secure the self. Wanting a land that always bears its name and a people who always identify themselves as ‘Taiwanese’, it could even be suggested that Taiwan at this particular juncture represents an imagined community par excellence.⁴ Against this backdrop, the articulation of danger, the specification of difference, and the figuration of otherness have been especially acute for post-Cold War Taiwan.

One of the most potentially useful insights I find in Campbell’s work that has important implications for analysing Taiwanese foreign policy is his discussions about what Michel Foucault has termed a ‘society of security’:

In this understanding, the state is neither a monolith that exercises power over an independent social domain, nor a settled identity that simply responds to external stimuli. Instead, the state and the social are made possible by ‘multiple regimes of governmentality’, which employ a rationality of security that calculates the possible and the probable, and simultaneously individualizes and totalizes, asking for both the citizen and the state what it means to be governed.⁵

Campbell argues that the idea of the society of security in the US already came into

⁴ See, for example, Wu Rwei-Ren’s Chinese translation of Benedict Anderson’s magnum opus, Imagined Community, despite of Anderson’s own reservation about such interpretation. For a rejoinder, see Christopher R. Hughes, ‘Response to Benedict Anderson’s Remarks on Taiwan’, China Times (Taipei), 1 May, 2000.
⁵ Campbell, Writing Security, pp. 151-52.
prominence in the early Cold War (and continued to be so after the Cold War, as seen in the so-called ‘war on drugs’); in abstracting and refining the ‘interests of the national security’ as the malleable standard by which the ‘normal’ was constituted, the disciplinary strategies of the Eisenhower administration reconstituted the ethical borders of the US state’s identity through the containment and exclusion of the ‘pathological’. This was done by multiplying the dimensions of being along which threats to national security could be observed—Executive Order 10450, for example, even specifically included ‘sexual perversion’ and ‘financial irresponsibility’ in the categories of exclusion—which in turn individualised and intensified a sense of endangeredness across the US.  

If the search for security proliferates the grounds of insecurity, the identity thus constructed can never be fixed and never final; rather, it is always in the process of becoming: ‘Should the state project of security be successful in the terms in which it is articulated, the state would cease to exist… Ironically, then, the inability of the state project of security to succeed is the guarantor of the state’s continued success as an impelling identity’.  

From this perspective, we can interpret Taiwan’s confrontation with China in the post-Cold War era as an important moment in the production and reproduction of Taiwanese identity in ways consonant with the aforementioned logic of a society of security, in which practices of national security and practices of social security structure intensive and extensive power relations, and constitute the ethical boundaries and territorial borders of inside/outside, civilised/barbarian, normal/pathological, and so on. Cross-Strait conflicts therefore construct sites of both ‘domestic’ and ‘foreign’ marginality, constituting Taiwanese identity through the negation of Chinese behaviour within and outside Taiwan. The emerging Taiwanese

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6 Ibid.
7 Ibid., p. 12.
state is thus understood as having no essence, no ontological status that exists prior to or is served by Taipei’s foreign policy. The result is a very different account of national security, one that argues precisely against the fundamental assumptions of conventional understandings outlined in the Introduction that the pre-existing state resorts to foreign and security policy to protect itself against external threats.

Nevertheless, the idea of the society of security is also the place where Campbell’s approach runs into problems, which can be demonstrated by a textual analysis of his work. By way of conclusion, Campbell stresses that ‘the extensive and intensive nature of the relations of power associated with the society of security means that there has been and remains a not inconsiderable freedom to explore alternative possibilities’. This is because in Foucault’s understanding of power, ‘there cannot be relations of power unless subjects are in the first instance free: the need to institute negative and constraining power practices comes about only because without them freedom would abound’. In the epilogue of his book Campbell goes on to evaluate the growing concerns with the politics of identity by those IR approaches previously inattentive to this issue, and considers the modes of interpretation that are ‘more adequately’ attuned to it. His ‘policy recommendation’ is particularly worth noting:

[T]hinking about future United States Foreign Policy involves considering what it would be like to address the incidence of drug use at home without marginalizing consumers or militarizing the threat as foreign. It involves thinking about how to handle the AIDS pandemic without scapegoating certain behaviors as immoral and closing the frontiers to those who test HIV positive. It involves conceiving of a means to address international trade problems without transmitting the fiscal pressures of the world economy to liminal groups within society, or constituting the practices of one’s competitors as responsible. Finally, it involves…reducing the tensions that give rise to political violence abroad

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8 Ibid., p. 204. My emphasis.
9 Ibid.
10 Ibid., pp. 207-27.
while refraining from stigmatizing domestic political dissent as 'terrorism'.

Implicit in all this is some impulses of ‘improving’ of the status quo and, however contingently and tentatively, the possibility of moving toward a ‘better world’ grounded on an ontology of freedom. Without the possibility of progressive alternatives to the present—that is, whatever the rhetoric, some notion of emancipation—the critical element in Campbell’s analysis would necessarily melt away. This understanding in turn requires a search for some normative frameworks beyond the purely arbitrary to allow observers and participants alike to decide whether, and how, some forms of society are more acceptable than others. Failure to seriously address the question as to why some alternative options are to be preferred to others, or at the very least deserve consideration, means that Campbell’s policy suggestions receive precariously little theoretical support on the basis of his study.

It is not enough, then, to merely describe the ways in which the identity ‘Taiwanese’ is discursively constituted as a national identity without being capable of making judgements about the emergence of a society of security in Taiwan and the identity thus constructed. What more needs to be done is to illuminate the ways in which the Taiwanese could reorient themselves to danger, particularly at a historical juncture where certain political outcomes seem preordained by China’s growing influence in the international arena but nevertheless depend on decisions and actions of local individuals that appear highly contingent (I will return to this point in the

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11 Ibid., p. 198.
12 For an excellent account of why some concept of emancipation is necessary for any form of analysis that attempts to problematise or deconstruct the givens, see Richard Wyn Jones, ‘On Emancipation: Necessity, Capacity, and Concrete Utopias’, in Ken Booth (ed.), Critical Security Studies and World Politics (Boulder: Lynne Rienner, 2005), pp. 215-35.
13 A case in point is Yih-jye Hwang, ‘The Birth of the “Taiwanese”: A Discursive Constitution of “Taiwanese” as a National Identity’, Ph.D. dissertation, University of Wales, 2007. Hwang offers a Foucauldian critique of Taiwanese identity formation, seeking to point out on what kinds of familiar, unchallenged, unconsidered modes of thought and practices that the Taiwanese accept rest. However, he treats genealogy as a method—and a method only—rather than as a substantive claim about the nature of politics in Taiwan. As this chapter argues, simply indicating that things could have been otherwise is not enough.
third section).

Campbell comes to acknowledge the necessity of a theoretical and political vocabulary with which to explicate what would constitute desirable and plausible alternatives and has revealed a concern with emancipation, if by another name, in his later book *National Deconstruction: Violence, Identity, and Justice in Bosnia*.\(^4\) Drawing on Emmanuel Levinas’ and Jacques Derrida’s discussions about the nature of responsibility to the Other, he maintains that it is not plausible for anyone to declare that the war in Bosnia was not their concern. This is because Levinas’ conception of responsibility toward the Other is not just an add-on to already existing identities. Instead, ‘subjects are constituted by their relationship with the Other’.\(^5\) By reconfiguring subjectivity in this way, ethics ‘has been transformed from something independent of subjectivity—that is, from a set of rules and regulations adopted by pregiven, autonomous agents—to something insinuated within and integral to that subjectivity’.\(^6\) Campbell’s move is significant in that he seeks to establish a normative framework with which to evaluate the ‘goodness’ or ‘badness’ of certain practices (i.e., staying in or opting out of involvement in the Bosnian war) and encourage the former while disavowing the latter; as a result, deconstruction in effect gives way to a type of political and ethical reconstruction.

While this ‘ethical turn’ aims to provide defensible critical purchase on the object of inquiry, the problem remains as to why some notion of responsibility toward the Other is an inevitable corollary of the relational nature of identity. Even though self needs Other to maintain its own existence, it is clear that the self-requires-Other logic does not *by itself* invoke an ethics of responsibility. As Iver Neumann has indicated,

\(^{15}\) Ibid., p. 174.
\(^{16}\) Ibid., p. 176.
the insight that identities are necessarily contingent and relationally constructed, or even the claim that identities are inescapably indebted to otherness, do not in themselves provide a responsibility to act, especially in situations where identities are conflictually defined.\(^{17}\) Indeed, genocides such as the Nazi plan to eliminate the Jews suggest that the self-Other logic might not be much of a constraint. Is it still possible to defend the claim that ethics is a fundamental expression of our identities? Can a restoration of the connection between ourselves and our ethics help to make judgements about different structures of identity and institutions (in this case, Taiwan’s security policy that works to constitute the identity in whose name it operates)? These are the subjects to which the remainder of the chapter now turns.

### 7.2 Power, Interest, and Justice

At this point it should be clear that it is not enough for those who explore the relationship between security and subjectivity simply to show how social constructions function, or to view the issue solely within the terms of interpretative method.\(^{18}\) If, as the preceding chapters have illustrated, the process of collective identity formation in Taiwan has been essentially oppositional, how is one to evaluate political strategies that seek wittingly to manipulate and mobilise in-group/out-group animosities in the pursuit of political power?

To address this issue, it requires a recognition of the relational structure of identity formation that retains a vision of politics that does not fall prey to a purely oppositional understanding of this process; to be more specific, it requires an analytic

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\(^{17}\) See the conclusion in Iver B. Neumann, *The Uses of the Other: The ‘East’ in European Identity Formation* (Minneapolis: University of Minnesota Press, 1999).

\(^{18}\) For a recent contribution that examines how IR scholars’ ethical claims inform standard theoretical concerns and how theoretical positions advance implicit and explicit ethical claims, see Richard M. Price (ed.), *Moral Limit and Possibility in World Politics* (Cambridge: Cambridge University Press, 2008).
and political stance which can demonstrate a capacity to oppose both of those constricted understandings of political knowledge and action. To this end, I argue that engaging recent renewed dialogues with classical figures in political thought usually associated with the so-called realist tradition can shed new (and, indeed, necessary) lights on the study and practice of Taiwanese identity.

Lest there be any misunderstanding, the reinterpretations of classical realism that I will be discussing below bear little resemblance to those familiar textbook introductions to realism for new students of the subject, such as Thucydides’ path-breaking insight in identifying the ‘underlying’ causes of the Peloponnesian War, Machiavelli’s practical manual *The Prince* on how to gain, maintain, and expand power, Thomas Hobbes’ gloomy portrayal of the state of nature as a condition of war of ‘every one against every one’, Jean-Jacques Rousseau’s famous analogy of the stag-hunt illustrating the problem of collective action, and Hans Morgenthau’s powerful assault on the naïveté of interwar ‘liberalism’ and the subsequent restoration of the principles of power politics in academic IR.

The critical re-examination of the realist tradition introduced here does not rely on the concepts of anarchy and rationality as they have come to dominate the mainstream IR in general and modern realist theories in particular. Rather, its core

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19 See, in particular, the chapter devoted to realism and its selected readings in Paul R. Viotti and Mark V. Kauppi, *International Relations Theory: Realism, Pluralism, Globalization and Beyond*, 3rd edn. (Needham Heights: Allyn & Bacon, 1999). W. David Clinton (ed.), *The Realist Tradition and Contemporary International Relations* (Baton Rouge: Louisiana State University Press, 2007) is anxious to show that there exists an identifiable ‘realist tradition’ which spans twenty-five centuries and is still relevant to the post-Cold War world.

lies with questions of the construction of social action and political orders, with the conditions of sustainable and legitimate political authority, and with the consequences of adopting particular, historically contingent resolutions to these political challenges.\textsuperscript{21} It does not assume the separation of a ‘rational actor’ distinct from its non-rational ‘identity’; it is instead a reflection on such an historical process of identity construction—that is, a rationalistic actor is itself an identity. It does not distinguish between foreign affairs and domestic politics; it is instead a holistic effort to understand politics at both the domestic and international levels. It does not presuppose certain forms of knowledge as more valid or valuable than others; it is instead a reflection on the politics of the constitution of knowledge.

Understanding the tradition of realist thinking in this way is not only in line with the alternative conception of foreign policy as a exercise of identity construction employed in this analysis, but also provides sophisticated theoretical and political vocabulary with which to evaluate the relations of power that have led to the rise of a society of security in Taiwan and to consider what might be viably mobilised in order to offset the worst implications of such a process. The purpose of this section is therefore to provide an outline of the conceptual foundations of classical realism that makes possible the political judgement that the oppositional logic is not necessary to Taiwanese identity formation and underwrites a defensible political opposition to it.

To begin with, realists on the whole define the national interest in terms of power. Many modern realists tend to equate material capabilities with power and power with influence, as Kenneth Waltz puts it, ‘the political clout of nations correlates closely
with their economic power and their military might’. They also believe in the primacy of self-interest over moral principle, and urge responsible statesmen not to bend foreign policy to ideological or humanitarian causes. For the most part, appeals to justice, international law and its associated norms are considered as impediments to national interests, unless they offer rhetorical cover for more material interest-based policies. Although classical realists do not share a uniform conception of power, they consider material capabilities to be only one component of power and do not equate power with influence, recognising the extent to which influence is a psychological relationship. As such, influence is always relative and situation-specific and its successful application is ultimately based on communal ties that transcend interests driven by momentary constraints and opportunities. For classical realists, the most effective way to wield influence is through consent, not coercion, and that consent is mostly facilitated by legitimate authority and convincing others of the benefits of following one’s lead. Here justice enters the picture because it is the foundation for relationships and the sense of community on which influence and security ultimately depend.

Viewed in this light, Richard Ned Lebow argues that Thucydides’ history does not simply depict the seeming tension between interest and justice and how it becomes more acute in response to exigencies of war, but reveals how interest and justice are inherently inseparable and mutually constitutive at a deeper level. The

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23 Strictly speaking, survival is also a value (in this sense it is not non-morality); nevertheless, whether it is the highest value is open to question.


25 While remaining a minor view in IR, Lebow notes that this reading has long been a near consensus among classicists. Lebow, The Tragic Vision of Politics, p. 116, n. 2.
Athenian empire retained a high degree of support among subject governments and peoples in the early stages of the Peloponnesian War when its power was exercised more or less in accord with the social conventions that governed Greek speech and behaviour. After Pericles’ death, however, demagogues in Athens consistently chose power over principle, lost its hēgemonia, alienated allies and eroded its influence, making the survival of the empire increasingly problematic. The famous siege of Melos and subsequent extermination or enslavement of its citizens and the ill-fated Sicily expedition were indicative of the extent to which Athens had become an archē based primarily on military might. Lebow does not reiterate the oft-quoted assertion ‘the strong do what they can and the weak suffer what they must’ by the Athenian envoys to rebut the Melians’ appeal to justice.\(^{26}\) Instead, he underscores the parallels between the Athenians’ spurn of Xerxes’ olive branch and their willingness to confront a seemingly invincible force in the name of Greek freedom and the Melians’ rejection of Athen’s offer of alliance for the value they placed on their freedom. ‘For Thucydides, as for many Greeks, the Athenians of 416 have become the Persians of 480 and the symbol of rank despotism’ only obsessed with the law of the strong and the self-interest of empires.\(^{27}\) Far from providing a primer on strategy and alliances and how they are shaped by considerations of power, then, Thucydides regarded the crude exercise of power as something to be evaded, not emulated.

But the problem with divorcing foreign policy from considerations of ethics is not just about the policy aims’ increasingly becoming unlimited or conflating the ends with the means. As Lebow points out, it also leads to changes in identity. Plato described the ‘natural relationship’ between Greeks as a form of kinship; when Greeks fight Greeks, Hellas is considered sick.\(^{28}\) Yet the Athenian commissioners in the


\(^{27}\) Lebow, *The Tragic Vision of Politics*, p. 125.

\(^{28}\) Plato, *Republic*, 469b–471c, quoted in ibid, p. 298.
Melian Dialogue divided people into those who rule and those who are subjects, making it bluntly clear that their empire is held together by power and the fear it inspires. Dionysius of Halicarnassus judged their language ‘appropriate to oriental monarchs addressing Greeks, but unfit to be spoken by Athenians to Greeks whom they liberated from the Medes’.29 This is because the pan-Hellenic community was bounded and (thought to be) distinct from the non-Greek world; relations between poleis were traditionally seen as extensions of domestic relations, and Greeks behaved, and were expected to behave, differently toward non-Greeks.

However, past success intoxicated the Athenians and led them to an inflated opinion about their ability, putting themselves above the Greek community. They gradually became susceptible to risky adventures and placed their faith in hope, when reason would point to caution and restraint. For Lebow, this is not something surprising: ‘One of the reasons that Hobbes invoked the state of nature was to show that deprived of an identity, we all become more or less identical, and our only interests are the fundamental requisites of survival’.30 In this regard, Lebow argues that it is essential to recognise Thucydides’ personification of Athens as a tragic hero and the comparison he intended between Athens and Persia; moreover, similar tragic themes in the works of other classical realists such as Clausewitz and Morgenthau can also be understood as cautionary tales about the consequences of hubris.31 Obviously, this understanding of politics, and of life more generally, is very different from that of John Mearsheimer, which, as discussed in Chapter 4, erroneously takes the recurrence of great power war as an inevitable outcome of international anarchy and mistakes that politics of enmity for world politics as a whole.

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Following Aristotle’s conception of human beings as political animals, Lebow indicates that affection and friendship (philia) are needed to create and maintain functioning political communities, because these bonds encourage us to define our happiness in terms of well-being of our family, friends, and fellow citizens. Indeed, Plato considered friendship the foundation of community as it creates an atmosphere of trust in which meaningful dialogue and sustainable co-operation become possible. Recent scholarship in critical security studies likewise maintains that the key to the mitigation or transcendence of the security dilemma lies in trust-building rather than any exogenous conditions (e.g., the offence-defence balance). In other words, co-operation is not so much a function of external stimuli to autonomous, egoist actors as rational choice theories conceive, but ‘an expression of the internal moral development of human beings’. Absence of philia, and the subsequent inability to see the world through the eyes of other people, turned Adolf Eichmann into one of the most notorious criminals of the twentieth century. To nurture affection and friendship in the community, in turn, reinforces justice because it is almost always based on recognition of the fundamental equality of human beings (though honoured in practice to varying degrees).

The intimate linkages between interest, identity, community and justice that Lebow finds in the realist tradition can be summarised as below:

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37 Plato’s Republic, for instance, maintains that an ideal community should be able to distribute benefits fairly among its members.

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Interest requires identity, because it confers social purpose. Identity is a form of differentiation, without which people would not have particular social interests. Identity in turn depends upon the existence of community. Communities construct identities through their discourses, which embed values, social roles and expectations concerning their performance. They also establish the hierarchies on which social differentiation depends. Viable communities rest on some conception of justice [or at least a belief in justice], acceptable to most members of the community, without which hierarchy would not be tolerated.\(^{38}\)

As such, Lebow’s social theory of ethics does not delineate the meaning of justice (after all, it has proven sterile to establish by logic first principles on which ethical systems can be based),\(^{39}\) but demonstrates its ontological significance and necessity in terms of the intelligent formulation of foreign and security policy.

Along the same line, Michael Williams holds that understanding the ethic of responsibility is a prerequisite for understanding what it means by the national interest.\(^{40}\) Rather than a shallow expression of an ethic of consequences that is simply concerned with the likely outcomes but not the presupposed values, the ethic of responsibility employed in the realist tradition is part of an attempt to construct subjects and political cultures capable of reflecting upon, and exercising, responsibility. He argues that Morgenthau conceives the national interest as a self-reflexive concept, and a sophisticated analytic and rhetorical device seeking to mobilise civic virtue and support a politics of limits, in the dual sense of fostering limits upon the worst excesses and challenging limits which make those excesses possible. Such position enables Williams to engage the politics of modernity that has important connections to neoconservative visions of US foreign policy, while at the


\(^{39}\) There are various competing claims about the substance of ethics, and this controversy is irresolvable because these sets of premises are based on different normative and evaluative concepts. Concepts of ethics are shaped by concrete cultural and historical experience and can only become legitimised through practice over the course of time. Alasdair MacIntyre, *After Virtue*, 2\(^{nd}\) edn. (Notre Dame: University of Notre Dame Press, 1984), pp. 6-12.

\(^{40}\) Williams, *The Realist Tradition*, chap. 5.
same time offering penetrating challenges to many of neoconservatism’s core claims:

[American] national greatness is not an inherited possession, nor is a particular history to be uncritically idealised or idolised as of uniquely universal value… virtue and greatness are relational recognitions—something developed through an engagement with the views of others, both at home and abroad. One of the most striking things about neoconservatism is its extraordinary lack of self-questioning, its remarkable—… hubristic—certainty, both morally and politically.41

From the perspective of classical realism, in short, adherence to ethical norms is as much as in the interest of those who wield power as it is for those over whom it is exercised. Policy that is constrained by widely accepted ethical principles and generally supportive of them provides a powerful aura of legitimacy, which helps to reconcile less powerful actors to their subordinate status. Of course, influence can also be acquired through bribes or coercion, but these tactics can at most provide a grossly inefficient, expensive, short-lived, and ultimately self-defeating basis of influence. What had maintained the position of Athens’ ‘first citizen’ vis-à-vis the masses and that of the hegemon vis-à-vis its empire was persuasion, not the crude exercise of hard power. To persuade, leaders and hegemons have to live up to the expectations of their own ideology in line with the conventions of their day. A demonstrable commitment to justice can thus help to create and maintain the kind of community that allows actors to translate power into influence effectively. When community breaks down, conflict management mechanisms like alliances and the balance of power may not only fail to preserve the peace but may make domestic and international violence more likely, such as Corcyra in the 420s BCE or Iraq in the mid-2000s. The introduction of a Leviathan there, in the form of an Athenian or American expeditionary force, actually made matters worse as it provided a cover for the ruling

faction to slaughter its real or imagined enemies. As Morgenthau has pointed out, the success of the balance of power in much of the eighteenth and nineteenth centuries was less a function of the distribution of material capabilities than it was of the existence and strength of international society that bound together the most important actors in the European system.42

Because ethics places limits on the ends that power seeks and the means employed to attain them, it sets up a conceptual framework on which actors can intelligently construct interests, obtaining external influence through internal restraint. Although Lebow seems to imply that a commitment to justice, which is a potent source of self-restraint, is more crucial for great powers because hubris brought by their past successes makes them less likely to be deterred by external constraints and more likely to overestimate their ability to control events and prevail in dangerous ventures,43 I will show in the next section that the realist tradition introduced here is no less relevant to small states such as Taiwan.

7.3 Ethics and Taiwan’s Foreign Policy

A corollary of the earlier discussion that ethics enables, not impedes, sustainable interests is that it is no longer plausible to rebuff calls for ethical foreign policies on the ground that the imperative of international politics does not allow this kind of luxury;44 rather, it is essential, even though for practical reasons, that foreign policies

43 Lebow, The Tragic Vision of Politics, pp. 283-84.
conform to the ethical standards of the epoch. As a result, the familiar morality of convenience that reifies the ‘domestic’ and the ‘international’ by the assertion that the ethical codes governing personal behaviour do not apply to behaviour intended to advance or safeguard national interests is being under challenge.\(^{45}\) It also enables the observer to make judgement about Taiwan’s foreign and security policy as a practice of constructing its identity.

The breaking down of the firewall between domestic politics and foreign affairs has important implications for evaluating Taipei’s security behaviour. While Lebow seems to believe that weaker states generally tend to behave cautiously due to their vulnerabilities to external constraints, Taiwan’s experience shows that past successes can breed hubris and encourage leaders and people alike to make inflated estimates of their ability to control the course of events, regardless of the size or aggregate power of the countries in question. Chapter 5 has illustrated how the Lee Teng-hui and Chen Shui-bian administrations exploited Taiwan’s newly gained soft power derived from the island’s economic and political ‘miracles’ in the quest of international recognition; my focus here is about a major (and controversial) component in Taipei’s economic diplomacy—its foreign aid programme.\(^{46}\)

In addition to the long-standing practices of dispatching technical and agricultural missions and operating training projects for foreign experts, Taipei has become increasingly relied on bilateral financial loans, grants and contributions—both


\(^{46}\) The other one is Taiwanese trade and investment, which creates a complex web of economic interdependency with the rest of the world while raising the island’s international visibility. For example, although Taipei’s ‘southward’ policy (discussed in Chapter 4) was mainly designed to divert Taiwan’s mainland-bound investment, it also paved the way for Lee’s and his premier Lien Chan’s ‘unofficial’ high-profile visits to the Philippines, Indonesia, Malaysia, and Thailand in 1993-1994.
on and under the table—to consolidate existing official ties, to cultivate substantive relationships with friendly nations, and, above all, to gain new diplomatic allies since 1988.\footnote{Gerald Chan, ‘Taiwan as an Emerging Foreign Aid Donor: Developments, Problems, and Prospects’, \textit{Pacific Affairs}, 70:1 (1997), pp. 37-56; and Wei-chin Lee, ‘Taiwan’s Foreign Aid Policy’, \textit{Asian Affairs: An American Review}, 20:1 (1993), pp. 43-62.} The practice of using secret loans and grants for the pursuit of politico-diplomatic goals—with the sums, recipients and purposes largely unknown to the general public—already existed during the two Chiangs’ time, but it was continued and intensified during Lee’s and Chen’s eras.\footnote{Joe Hung, ‘Taiwan’s Bankrupt “Dollar” Diplomacy’, NPF Commentary, National Policy Foundation, 27 October, 2004.} By engaging in what has been called ‘dollar diplomacy’ (\textit{jinqian waijiao}) or ‘chequebook diplomacy’ against Beijing’s similar tactic, Taipei targeted a number of small and less developed countries (mostly in Africa, the Caribbean, Central America and the Pacific Islands) and ‘bought’ diplomatic relations from them.\footnote{Anthony van Fossen, ‘The Struggle for Recognition: Diplomatic Competition Between China and Taiwan in Oceania’, \textit{Journal of Chinese Political Science}, 12:2 (2007), pp. 125-46, describes the bidding games between Beijing and Taipei as ‘auctions of diplomatic recognition’.}

For example, upon the establishment of diplomatic relations between Taiwan and war-torn Macedonia in 1999, Taipei reportedly offered a $160 million (in US dollar) foreign aid package to Skopje in return.\footnote{‘MacedoniaSwitchesDiplomatic Ties from Taipei to Beijing’, \textit{Deutsche Presse-Agentur}, 18 June, 2001. Over the past two decades there have been exposures by the media of some of the secret loans on the basis of leaked internal information. Sometimes the sums of secret loans were disclosed by careless visiting heads of state/government at state banquet speeches in Taipei.} Other recent examples include Nauru’s transfer of diplomatic recognition from Beijing back to Taipei in May 2005, in exchange for Taiwan keeping Air Nauru in the sky by guaranteeing payment of the outstanding debt of $13.5 million on its only flight company.\footnote{van Fossen, ‘The Struggle for Recognition’, pp. 135-36. Nauru is one of the many states that can change its allegiance according to which side of the Taiwan Strait provides more money. After failing to extract more annual aid from Taipei, Nauru jettisoned its 22-year ‘friendship’ and switched diplomatic relations to Beijing on 21 July, 2002, the day President Chen was doubled as the DPP Chairman. Chen was so annoyed that he for the first time publicly described the China-Taiwan relationship as ‘one state on each side of the Strait’ (Taiwan Zhongkuo, yibian yikuo) the same month (discussed in Chapter 5).} After Kiribati’s decision to dump the PRC in favour of the ROC in November 2003, the 2004 annual
aid it received from Taiwan was about $8 million (approximately five times higher than that of the PRC in 2003), including enough rice to provide one-month supply for the capital island.\textsuperscript{52} According to Jason Hu (former Foreign Minister and now Taichung Mayor), one of the architects of President Lee’s ‘pragmatic diplomacy’, among China’s diplomatic allies about half of them find it impossible to establish full relations with Taiwan. However, the other half (approximately 80 countries) were such that ‘if Taiwan became really active in trying to win their support, Beijing would become nervous’.\textsuperscript{53} Hu further asserted that it is important to develop ‘substantive relations’ with non-diplomatic allies because that would help prevent China from concentrating all its resources in wooing Taipei’s existing diplomatic allies.\textsuperscript{54} Since 2000, the DPP government intensified this strategy and termed it as ‘fenghuo waijiao’, spreading the flames of diplomatic war so as to keep Beijing constantly on the run.

But the overall record of the cross-Strait auctions shows that the PRC has usually been victorious. A scandalous drama was Taiwan’s establishment of relations with Papua New Guinea (PNG) on 5 July 1999, with an alleged loan of $2.35 billion to the bankrupt Bill Skate administration. Just 16 days after Taipei’s semi-official representative office in Port Moresby called itself embassy, the diplomatic recognition was rescinded due to the change of the PNG government and pressures from Australia (a major PNG donor for fear of losing its influence) and China. Following Taipei’s overtures to Port Moresby, Beijing delivered $10 million that it had pledged and increased its aid to the extent that the PNG Prime Minister claimed in 2003 that China would be glad to make up any shortfall should Canberra terminate Australian aid.\textsuperscript{55}

\textsuperscript{52} Ibid., p. 137.
\textsuperscript{54} Ibid.
\textsuperscript{55} van Fossen, ‘The Struggle for Recognition’, pp. 133-34. Not unlike Chen’s reaction in July 2002, the
The case of Tonga—the ROC’s longest standing Pacific Islands ally—was another serious blow to Taipei’s foreign policy establishment. In July 1998, Premier Vincent Siew (now Vice President) led a special delegation to celebrate King Taufa’ahau Tupou IV’s 80th birthday with expensive gifts. The King reciprocated by visiting Taipei later the same month. The bilateral relationship appeared to be quite positive. Yet in October 1998, ten days after a Tonga princess did her massive shopping in Taipei for free, Tonga switched diplomatic recognition. Little was known about the development that the King’s government had been secretly bargaining with Beijing about the price for dumping Taipei. As Jason Hu recognised, Taiwan’s relations with a third of its diplomatic allies were highly unstable; he specifically likened the predictability of a break-up of ‘friendship’ to that of a heart attack.\(^{56}\) One of the recent heart attacks occurred when Costa Rica, the ROC’s key ally in Central America for six decades, severed diplomatic relations with Taiwan in June 2007, following Taipei’s temporal pleasure over the humiliation of Chinese Foreign Minister Yang Jiechi by re-establishing formal ties with Saint Lucia during his inauguration. Taiwan’s dollar diplomacy in the post-Cold War era painfully illustrates how inefficient, expensive, and unstable influence gained through bribe can be.

To be sure, Taiwan’s secret loans, ranging from millions to tens of millions of US dollars, are not comparable to the aid dollars those developing countries received from their Western donors, International Monetary Fund (IMF) and the World Bank, not to mention the sum of Beijing’s grants and loans to its Third World partners, which, Hu lamented, is something that Taipei could only dream of.\(^{57}\) It would be

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\(^{56}\) Chen, Foreign Policy of the New Taiwan, p. 106.

\(^{57}\) Ibid., p. 119. Based on Chen Jie’s estimate, in 1998, China’s grants and loans to Africa alone (about $500 million) should have exceeded the lump sum of Taiwan’s classified diplomatic expenses. In 2008, the MOFA accused that Beijing had offered Malawi $6 billion in financial loans and development projects to end its 42-year diplomatic ties with Taiwan. ‘Taiwan Severs Diplomatic Ties with Malawi’,
remiss, though, if one too readily attributes Taiwan’s losing out in the auctions of diplomatic recognition to China’s deeper pocket or the structural constraints of international society. After all, China’s growing politico-economic influence on developing countries is not a novel phenomenon. And some literature pertaining to Taiwan’s international status has indicated that the structural limitations of Taipei’s diplomacy (both formal and informal) already existed before the mid-1990s where the international environment was more favourable to Taiwan than today.\textsuperscript{58}

However, sympathetic critics of Taipei’s foreign aid programmes merely oppose chequebook diplomacy on the ground that such a practice is not cost-effective, considering Taiwan’s limited financial resources and China’s increasing economic might. The common arguments are that Taipei should hold on to some small and stable allies as opposed to bigger and more influential ones which either need Beijing’s political support internationally or require Taiwan to fork out too much money; that Taiwan should avoid to directly confront China in the arena of traditional state-to-state relations where the latter enjoys the comparative advantage; and that Taiwan’s aid programmes need detailed planning like Japan’s Official Development Assistance (ODA) project so as to integrate its foreign trade strategy with the investment strategy of private-sector enterprises.\textsuperscript{59} The new KMT government under Ma Ying-jeou’s leadership criticises its predecessor’s chequebook diplomacy for much the same reason, indicating that the increase of MOFA’s budget over the past eight years of DPP rule did not save Taiwan from losing nine allies but only gaining three in the same period. Even though President Ma calls for a diplomatic truce—a

\textsuperscript{58} Christopher R. Hughes, \textit{Taiwan and Chinese Nationalism: National Identity and Status in International Society} (London: Routledge, 1997), chap. 6, neatly describes Taiwan as an ‘intermediate state’, a position between non-state entities like Hong Kong and ‘normal’ states.

stop to the competition between Taiwan and China to take away each other’s diplomatic allies—as a precondition for significant progress in cross-Strait relations, his proposal is based on the premise that the two sides would benefit from avoiding negative competitions and wasting resources unnecessarily, not for any ethical appeals. Indeed, according to Su Chi (now Secretary-General of the National Security Council) who authors Ma’s ‘huolu waijiao’ or ‘vital diplomacy’, a rational Beijing would understand and seize on Taipei’s proposal for a diplomatic truce because Taiwan is able to make China ‘feel the pain’ in the bidding games even though it often cannot prevail.

The aforementioned criticisms and alternative solution are blind to the pernicious effects of the ROC-PRC ‘renting’ of diplomatic recognition on the political processes in Third World countries. Just to name a few, Miguel Angel Rodriguez, former president of Costa Rica, had been detained in San Jose for allegedly accepting political donations from Taipei. Another ex-president, Enrique Bolanos Geyes of Nicaragua, faced similar charges in Managua. Former President Mireya Moscoso of Panama was also said to have received a cash gift of one million from President Chen on her birthday. Secret financial support from Beijing and Taipei to their favoured politicians had even triggered riots in the Solomon Islands in April 2006. Since diplomatic recognition is auctioned by private treaty outside of public scrutiny, it tends to invite opportunities for impropriety and corruption when large amounts of money are involved, which in turn undermines democracy and accountability to the

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61 Presentation by Su Chi on comparing ‘Blue’ ‘Green’ mainland policy, College of Social Sciences, National Chengchi University, 26 April, 2007. Personal attendance.
63 See ‘Report Finds PRC-Taiwan Rivalry Fuels Pacific Corruption’, Reuters, 4 April, 2006; and ‘NZ Foreign Minister Hits Out at Taiwan’s Chequebook Diplomacy’, Agence France Presse, 16 August, 2006.
people—a core principle post-authoritarian Taiwan claims to uphold. In order to maintain some international recognition of Taiwan’s sovereignty (so as to demonstrate China and Taiwan are different), critics of dollar diplomacy ultimately succumb to the temptation of bribe—even if they might consider their use of it as more ‘limited’ and ‘institutionalised’—treating it as an acceptable instrument to wield influence abroad.

The consequences of Taiwan’s controversial foreign aid practice are not limited to its ‘side-effects’ in developing countries or the inefficiency/instability of the influence obtained. As Thucydides excellently demonstrated it in his description of the downfall of Athens, foreign policy and domestic politics can gradually become corrupt in tandem and contaminate one another. When the government has been addicted to buying (or, to be more precise, renting) diplomatic recognition so as to maintain the ROC’s shaky international legal personality and support its annual UN campaign, it becomes all the more understandable why vote-buying or irregular voting behaviour still pervade all levels of elections and cannot be eradicated, despite that Taiwan has entered the stage of democratisation for two decades and there have been plenty of punitive measures against buying and selling votes.⁶⁴

Mainstream democratisation theorists view political corruption as a common obstacle to the consolidation of new democracies. Having destroyed authoritarian control yet without sufficient democratic checks and balances or legitimate and accountable institutions, they argue, countries in democratic transition are prone to corruption, which will gradually be reduced on their way to ‘mature democracy’.⁶⁵ However, this teleology of democracy fails to explain why the longer Taiwan starts

⁶⁴ Jaw-hwa Wang, ‘Gongwu bumen jianquan neikong guanli fangzhi tandu xingwei zhi yanjiu’ (A Study on Internal Control as a Key Element of Anti-Corruption Efforts in the Public Establishment), Masters thesis, National Taiwan University, 2006, details Taiwan’s perceived advantages in terms of anti-corruption laws, organisations, law enforcement workforce, congressional supervision, media, and the right to information.

⁶⁵ For example, see Andreas Schedler, Larry Diamond, and Marc F. Plattner (eds.), The Self-Restraining State: Power and Accountability in New Democracies (Boulder: Lynne Rienner, 1999).
democratising, the more widespread and profound corruption problems become.66

During the 1990s, the KMT under Lee co-opted corrupt local factions and conglomerates, leading to increased vote-buying, gangster-party links, and party-consortium collusion at the national level. The high proportion of business and factional candidates representing the KMT in the legislative elections during Lee’s rule was indicative of the growing influence of both big business and local factions in Taiwanese politics.67 Since 2000, various instances have come to light in which high-ranking DPP officials used their connections and insider knowledge to rig privatisation bids, to secure low-interest government loans, and to acquire interests in profitable state-owned enterprises from themselves, party supporters, or their family members.68 This was to the extent that even President Chen’s close aides, his family members and himself were found involved in a series of corruption.

The suggestion of first-family corruption escalated in May 2006, when Chen’s son-in-law Chao Chien-ming was indicted on charges of insider trading. First Lady Wu Shu-chen was later indicted on embezzlement and forgery charges; Chen, too, was suspected of corruption but could not be indicted because of presidential immunity.69 These scandals had provoked three unsuccessful recall attempts in the Legislative Yuan and generated almost daily street protests in September and October, with the largest one in Taipei attracting more than 300,000 demonstrators.70

66 This brings us back to Shih Chih-yu’s claim that democratisation in Taiwan produces little more than an image of having a democratic identity. Chih-yu Shih, Democracy (Made in Taiwan): The ‘Success’ State as a Political Theory (Lanham: Lexington Books, 2007).
According to the prosecutor’s office, Wu and three former presidential aides confessed to forging receipts to claim from the presidential state affairs expense account, embezzled around 14 million Taiwan dollars (US$ 0.47 million) over the last four years. When prosecutors questioned Chen the first time about his wife’s receipts, he explained that the money had been used for three secret diplomatic missions. When questioned a second time, Chen pointed to another three confidential diplomatic efforts. Prosecutors determined that claimed expenses were legitimate for only two of the six diplomatic missions Chen described, as one mission appeared to be a fabrication while receipts for some of the others showed amounts higher than the actual costs. Like Nixon in the Watergate affair, Chen responded that for the sake of national security he could not tell the truth; the root cause of the problem, Chen contended, is China’s relentless campaign to isolate Taiwan and prevent Taipei from maintaining diplomatic relations with other countries. Unlike Nixon, however, the president did not resign but instead classify those receipts and relevant documents as ‘top secret’, effectively freezing the investigation process during the rest of his term.71

While some scholars in Taiwan have correctly noticed the troubling trust-eroding effects of political corruption in East Asian democracies,72 widespread corruption does not merely spawn mistrust of institutions and contribute to the delegitimisation of democratic governance as they point out—it undermines the very foundation on which the whole political community is based. It is not coincident that the aforementioned anti-corruption campaign in late 2006 chose li yi lian chi (a sense of propriety, justice, integrity and shame) as its slogan asking Chen to resign, because these principles have long been regarded as the siwei (‘four anchors’) of the nation in

71 These documents and materials were eventually declassified after Chen stepped down. ‘Ma to Declassify all Chen’s Documents’, China Post (Taipei), 7 August, 2008.
Confucian societies; failure to stand up for siwei—especially political leaders—is seen as the receipt for national destruction. This view is strikingly similar to a founding myth of ancient Greece in which Zeus sent Hermes to give cavemen aidōs and dikē so as to help them live together harmoniously. Dikē (justice) means an ordering principle that requires people to treat others as equals, trying to see things from their point of view and empathise with them. Aidōs (respect, reverence) enforces justice through shame. Together they create the ties of philia (friendship) that bring order to poleis.⁷³

Seen in this light, without grasping the relationship between justice and interest and the need for a restrained exercise of power and a politics with ethics at its core, strategies designed to reduce corruption are unlikely to succeed in the long run. Unfortunately, most anti-corruption solutions only seek to limit authority, improve accountability and incentives through institutional reforms and law enforcement.⁷⁴ Some have recognised the central role of political will in effective and sustainable anti-corruption strategies and programmes.⁷⁵ But the existence of political will, commitment, and leadership to combat corruption (rather than mere rhetoric to increase politicians’ credibility) does not emerge within a political and institutional environment where the pursuit of narrow self-interest trumps moral principle. The Chen affair is illustrative as to how political scientists can look the truth in the face (namely, intensified chequebook diplomacy abroad coincides with rampant corruption at home) and not see it—when it violates their taken-for-granted assumptions (e.g., there exists a firewall between foreign policy and domestic politics, those ethical

⁷³ Plato, Protagoras, 322c8-322d5, quoted in Lebow, The Tragic Vision of Politics, pp. 276-77.
⁷⁴ Arvind K. Jain, ‘Corruption: A Review’, Journal of Economic Survey, 15:1 (2001), pp. 71-121; and Phyllis Dininio and Sahr John Kpundeh, A Handbook on Fighting Corruption (Washington, D.C.: USAID, 1999), p. 13. Furthermore, as discussed in Chapter 5, the effectiveness of these measures in Taiwan is dubious at best as they may undermine the value which Confucianism places on high status and challenge the insatiable post-colonial need for more power at the same time.
codes that govern personal behaviour do not apply to behaviour pertaining to the protection of national security).

The DPP government’s failure to live up to the standards of its own commitments to fight corruption especially weakened its ability to persuade allies, third parties, and, above all, Taiwanese citizens, whose memory about President Chen’s oath to combat corruption in his 2000 election campaign remains not so distant:

According to surveys about 70 percents of the people think that under KMT rule the ‘black-gold’ problem is getting worse. From local financial institutions to big public construction projects, from the insider trading on the stock exchange to corruption in military purchase cases the KMT has relied on a system of corruption that reaches all levels of our country… hoping for the KMT to tackle ‘black-gold’ is like dying charcoal white, it is impossible. Only if A-bian [Chen Shui-bian’s nickname] is elected can the danger of ‘black-gold’ be dealt with.  

This is because the theme of anti-corruption had arguably produced favourable impacts on the electoral fortunes of the opposition DPP throughout the 1990s and the eventual victory in the 2000 presidential election; eight years on, the electorate only found that the DPP has become no less corrupt than the KMT or even worse.

As noted earlier, for persuasion to be effective, leaders and states must live up to the expectations of their own ideology. Athens lost its ἡγεμονία after it failed to provide benefits to citizens and allies and to uphold the principles of order on which the poleis and its empire were based. Post-authoritarian Taipei likewise lost its short-lived soft power when it became evident that, rather than providing an enlightened political ‘miracle’ worthy of emulating, it continued to reproduce corruption at even greater levels within and outside Taiwan.

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77 Fell, ibid. Nevertheless, Fell overstates Taiwan as a case in which multi-party democracy can successfully tackle political corruption and even alter corrupt norms of governance.
Another case in point is Taipei’s attitude toward war. Since the passage of the Anti-Secession Law in March 2005 (discussed in Chapter 3), the Chen administration never missed the opportunity to use it to highlight the Beijing authorities’ propensity to ‘non-peaceful means’ in dealing with cross-Strait relations while declaring Taipei’s adherence to peace as an universal value. Before and during the US invasion of Iraq, however, Taiwanese officials repeatedly confirmed their total support to the US war plan. Chen’s spokesman, for example, openly criticised local anti-war activists for ‘forgetting’ US support during the 1996 missile-test crisis in the Taiwan Strait. Chen himself went so far as to assert that ‘supporting the United States is the same as supporting our own country’ and is ‘an act of defending our national security and dignity’. Chen’s assertion affirms an observation made in Chapter 6 that adopting a pro-US position is essentially an anti-China act, which is pertinent to the formation of Taiwanese identity. But if Taiwan’s anti-war stance is not consistent, why should other friendly nations (and come to Taiwan’s aid should China invade)?

Having undermined the building blocks of the community and the legitimacy of its rule, the DPP government got more and more addicted to the manipulation and mobilisation of in-group/out-group animosities in the hope of retaining political power. As mentioned in Chapter 5, its renaming of the Chiang Kai-shek Memorial Hall was not so much about whether Chiang deserves commemoration in a democratic society,

78 Clear-headed analysis of the articles, however, shows that the law did little more than codify Beijing’s long-standing refusal to rule out the use of force against Taiwan if the island pursues permanent separation. In fact, it stipulates peaceful means as the most preferable approach to reaching Beijing’s long-term goal of national unification without setting a timetable (arts. 5 & 7). Former DPP legislator Lin Chuo-shui, dubbed ‘theoretician’ of Taiwan independence by the local media, thus gives the law credit for pragmatically recognising the legality of the cross-Strait status quo, that is, the two sides are neither unified nor separated. Chuo-shui Lin, Gongtongti (Community) (Taipei: Rive Gauche, 2006), pp. 302-03.
but about the potential electoral benefits in terms of mobilising its core supporters. DPP lawmakers had even pushed for a bill on compensation for victims of the 2/28 incident of 1947, which, if passed, requires relatives of the dead persecutors to stand trial for the crimes they know nothing of. In the DPP government’s official narratives, the 2/28 incident in which the KMT troops suppressed a Taiwanese uprising that left tens of thousands dead, missing or imprisoned, seemed to be all the country’s history is about. The history about how mainland Chinese fled to Taiwan, how the Mainlanders see the history of the Rape of Nanjing and how they fit in the society in Taiwan rarely came to its attention. Aboriginal people too have very different historical memory than that of the native Taiwanese, but they were similarly sidelined.

In its 2008 presidential election campaign, the DPP escalated the same tactic by warning that the KMT’s proposed economic normalisation with the mainland would make ‘men find no job, women find no husband’, that Taiwan would become the next Tibet if the KMT candidate was elected. But that did not save the DPP from miserable defeat in both of the legislative and presidential elections in early 2008 (it only retained one fourth of the seats in the Legislative Yuan). Worse still, the Chen administration handed over political power to its successor under the disgrace of a diplomatic scandal in which two overseas Chinese brokers embezzled $30 millions ‘operation fees’ for establishing formal ties with the PNG, prompting Vice Premier, Foreign Minister and Vice Minister of Defence to resign just days before the power transfer.83

81 ‘Six Hurt in Crash at Taipei Memorial Renaming’, Straits Times, 7 December, 2007.
82 ‘Opposition Snubs Meeting on 228 Bill’, Taipei Times, 4 December, 2007. No law in the world compels relatives to be litigated for the crimes committed by the dead. A Taiwan miracle indeed.
If the rise of China can be understood as a backdrop against which the Taiwanese confront the human consequences of political decisions and the ethical dilemmas to which they give rise, as this analysis has shown, it should be clear by now that Taipei’s foreign and security policy conduct has been largely ineffective and ultimately self-defeating. How, then, could the Taiwanese reorient themselves to danger, through reinterpretation and rearticulation of those prevailing representations of China they employ to comprehend it? Obviously, answering such a question requires a more comprehensive investigation than the remaining space of this thesis permits. Suffice it to note that the future of Taiwan’s foreign policy as an identity construction practice depends on considering whether Taiwan can move away from the preoccupation with drawing boundaries to the refinement of the substance within the boundaries. This in turn rests upon whether Taiwan can cultivate and maintain a normative-ethical framework within which actors can intelligently formulate interests, obtaining sustainable influence through self-restraint. The question of the national interest of Taiwan is thus transformed into a stimulus to reflection: a question about what kind of Taiwan one ought to want to be a part of, and what kind of interests ought to be the proper expression of such a community.

Take Taipei’s economic diplomacy for example. Apart from making its foreign aid distribution more transparent (e.g., through the existing International Cooperation and Development Fund and credible third parties), the revitalisation and expansion of Taiwan’s agricultural and technical missions in developing countries would signify a paradigmatic break with the practice of buying specific politicians’ support, turning its resources into the real benefits of local people. As one observer of Taiwan’s informal diplomacy in Southeast Asia writes, those missions did not incur much monetary cost,

_Taipei Times_, 11 May, 2008. Note that this diplomatic venture was initiated in late 2006 where the Chen administration had been surrounded by snowballing corruption scandals.
but their value in forging lasting good will toward Taiwan cannot be overestimated:

Some Taiwanese personnel spent more than two decades in the designated remote rural areas in Thailand and Indonesia. While assisting the local villagers to improve their livelihood by teaching them better skills in farming, fishing and handcraft making, they effectively became integrated with the local communities… This type of personalized assistance, often characterized by self-sacrifice and deep empathy on the part of the dedicated Taiwanese experts, significantly endeared the locals to Taiwan in a way Taipei’s passion for huge and expensive industrial projects might not… Thailand’s Prince Bhisatej, one of the key royals behind the bilateral agricultural cooperation, once publicly pointed out at an international agricultural conference that agricultural assistance from every country was limited to either financial aid or the appointment of chosen specialists to draft a research report. Only Taiwanese specialists came in person to northern Thailand to help the Thais grow vegetables and fruit. This proved to be of enormous benefit to the daily lives of the local inhabitants of this district.84

Forgoing momentary narrow self-interest in renting diplomatic allies (both new and current) or manipulating nationalistic sentiments for election advantages may not sound appealing to many politicians in Taiwan. After all, even for those who wish to reject it must realise that to do so would remove from one’s disposal some of the most powerful tools of political mobilisation, such as the demonisation of opponents. Fostering a politics of limits is in this sense unrealistic as a means of successfully playing the domestic game of power politics within which foreign policy is formulated.85 However, as this chapter has shown, it is the only responsible course of action for Taiwan to take, at a juncture where certain political outcomes may seem preordained by China’s rise but nevertheless depend on whether Taiwanese can construct a national interest in terms of a combination of enlightened calculation and reflective public discourse on the island’s values.

84 Chen, Foreign Policy of the New Taiwan, p. 120. Originally from the PRC, Chen Jie is one of the few Taiwan experts in Australia who becomes sympathetic to Taiwan after studying this subject.
85 Williams, The Realist Tradition, p. 192, indicates that it is in this that Morgenthau was pessimistic at times about the willingness of political leaders to learn from experience and rise above momentary calculations of narrow self-interest.
7.4 Conclusion: mistaking Symptoms for Causes

This chapter has sought to address the second research question guiding this thesis, namely: what have been the political consequences for Taiwan of adopting the predominant mode of interpreting China as a threat? It has shown that two seemingly unrelated developments—rising threats as perceived from across the Taiwan Strait and rampant political corruption at home—can be understood as two sides of the same coin (i.e., the problem of identity formation in Taiwan). This is so because, as a practice of identity construction, Taipei’s foreign and security policy has been mainly about demonstrating the differences between Taiwan and China (through the framing of China’s image as a threat) but not about articulating the substance within the boundaries that constitute ‘Taiwan’. This in turn leads to the disregard of some principles of justice and the consequent breakdown of foundations on which the political community is built.

The chapter set out to explain that recognising the possibility that Taiwanese perceptions of the China threat are always open to reinterpretation and rearticulation is not enough. The poststructuralist appeal to tear down givens or to ‘open up’ begs a deceptively simple question: opening up for what?\(^8\) It is necessary to evaluate those relations of power that one believes have given rise to the prevailing notion of the ‘Taiwanese’ and to explicate why some alternative possibilities may be more acceptable than others. Drawing insights from recent re-examinations of the realist tradition in political thought, the chapter has argued that the restoration of the connections linking interest, identity, community and justice provides a plausible

framework with which one can make judgements about Taiwan’s foreign policy that works to constitute the identity in whose name it operates.

This perspective enables us to appreciate the destructive potentials of divorcing ethics from interest and of building up a firewall between foreign policy and domestic politics, as seen in Taipei’s growing reliance on bribery to wield influence abroad coinciding with rampant political corruption at all levels at home. Having undermined the moral foundations on which the political community is based, the increasingly unrestrained exercise of power and mobilisation of social capacities still could not keep a DPP that failed to uphold its oath to promote social equality and justice in power. Without ethics at its core, the Taiwanese identity constructed under this circumstance was likewise unable to confer meaningful social purpose necessary for formulating national interests (hence the obsession with the numbers game of buying more diplomatic allies).

One might think that my critique here is not ‘fair’ to the Taiwan government. Sir John Simon, a British Foreign Secretary in the 1930s, once said that states have the choice of being gangsters or prostitutes. That is, they do what their power allows them or compels them to do in order to maximise security or pursue other goals. In this sense, except for being in a very tricky geopolitical situation, Taiwan might be more of a ‘normal’ state than my analysis implies. Moreover, given Taiwan’s exceptional circumstances in terms of its existence as a sovereign entity, it is difficult to show that an ethical foreign policy will serve Taiwan better than any other. Nevertheless, one shall not forget that it is exactly within the kind of ‘commonsense’ embodied in Sir Simon’s remark that Britain and France failed to put together an effective anti-Nazi coalition, which Morgenthau regarded as one of the tragedies of the twentieth century.
in his *Politics Among Nations*.\(^{87}\) Using the number of diplomatic allies to evaluate the success or failure of an ethical foreign policy not only ignores the positive effects it may produce in the Third World and Taiwan’s domestic politics, but also fails to recognise that Taipei’s preoccupation with sovereignty is part of its boundary-creating exercise, for this notion helps to define China as belonging to the dangerous, anarchical outside.

Although observers of Taiwanese politics are generally critical of the Chen administration’s eight-year rule, they tend to interpret the rise of the Taiwanese national identity as a positive legacy Chen left.\(^{88}\) Indeed, now the opposition DPP has been trying to re-establish its image as a staunch defender of Taiwan’s sovereignty and identity *vis-à-vis* the Beijing-friendly KMT,\(^{89}\) even though many of its members also wish to get rid of the moral burden inherited from Chen. From the vantage of Taiwanese identity formation, however, it is precisely the sovereignty and identity that the DPP is claiming to defend that should be discarded or radically reformulated. This is because the Taiwanese identity constructed through its foreign and security policy in the post-Cold War era has not been so much a reaction to a threatening China but rather an indication of Taiwan’s inability to cultivate an identity which does not rely on defining someone outside as antagonists. In other words, the current understanding about the relationship between the perceived China threat to Taiwan and the rise of Taiwanese national consciousness has mistaken symptoms for causes.


\(^{89}\) ‘Opposition Leader against “Diplomatic Truce”’, *Central News Agency*, 10 August, 2008.
Chapter 8. Conclusion

This thesis set out to investigate the relationship between Taiwan’s perceptions of the ‘China threat’ and its national identity formation in the post-Cold War era. Contrary to the conventional wisdom that sees China’s oppressions and intimidations against Taiwan, or at least Taiwanese perceptions of them, as a crucial factor that has caused the rise of Taiwanese national consciousness, it has put forward an alternative interpretation that calls into question this ‘reaction-against-China threat’ argument. Through an examination of the ways in which China is perceived as an economic, political, and military threat in mainstream Taiwanese security discourse as well as their consequences, the thesis has suggested that, rather than simply working as a ‘pushing force’ that gives rise to the notion of ‘Taiwanese’ as a national identity, China’s threat image in Taiwan tells us a lot about Taiwan residents’ difficulty in constructing such an identity.

This concluding chapter will first summarise the key arguments of the preceding chapters, which together sustain my claim that the familiar ‘China threat-as-pushing force’ explanation about the surge of Taiwanese nationalism mistakes symptoms for causes. By this I mean that the predominant perceptions of the ‘China threat’ in Taiwanese security discourse have been a symptom of the difficulties ‘Taiwanese’ have had in constructing a sense of national identity rather than it being a fundamental cause of the rise of Taiwanese national consciousness. The conclusion will then consider the theoretical and policy implications of this analysis as well as possible directions for further inquiry.
8.1 Security and Subjectivity

This research began with a puzzle as to why Taiwanese tend to be excessively vigilant about any indication of China’s hostility, which is at odds with a general proposition in psychological approaches to foreign policy analysis and deterrence theory that small states are more likely to ignore or to minimise the importance of the threat than are stronger ones. In his seminal *Perception and Misperception in International Politics*, Robert Jervis offers a number of measures that he believes would help to reduce misperception.¹ If decision makers become aware of common perceptual errors, they might be able to avoid or compensate for them. For example, awareness that certain beliefs (e.g., the other side is highly centralised and carefully plans its moves, favourable actions by the other are a response to the actor’s behaviour but unfriendly acts spring from unprovoked hostility, and so on) are frequently wrong should alert decision makers to the danger of forming a threat image too quickly (hence overestimating the other side’s hostility).

Jervis notes that states may not always try to correct for the tendency to be overly vigilant, but he does not articulate that problematique in any detail.² This thesis has pointed to the need to take into account the intrinsic linkage between security and subjectivity in the study of foreign policy. After all, to have a threat necessitates enforcing a closure on the community that is threatened: ‘securing something requires its differentiation, classification and definition. It has, in short, to be identified’³. The thesis sees Taiwan’s foreign and security policy with respect to

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² Ibid., p. 424.
the PRC as such a boundary-drawing exercise that works to constitute the identity in whose name it operates. Indeed, Chapter 4 through Chapter 6 have shown that this interpretation can better account for Taiwan’s mode of threat perception (perceptual vigilance) in the economic, political, and military realms than the conventional formulation that readily accepts that the Taiwanese state is prior to the policy.

As discussed earlier, the rationale of Taipei’s restriction on cross-Strait trade and investment until mid-2008 was based on two inter-related arguments that a close economic interaction with China amounts to feeding the tiger (recall the problem of relative gains in IR parlance), and that the relocation of Taiwanese factories to the mainland and insufficient investment at home are detrimental to Taiwan’s economic well-being. However, neither the KMT’s ‘go slow, be patient’ initiative nor the DPP’s ‘active opening, effective management’ policy was able to reverse the economic reality that numerous mainland-bound investments simply bypassed governmental regulations via the third countries. Moreover, those restrictive policies in effect prevented Taiwanese businesses from fully exploiting a world factory, which in turn undermined Taiwan’s economic competitiveness that both the Lee Teng-hui and Chen Shui-bian administrations claimed to promote. Taipei’s constant emphasis on mainland risks over opportunities and its economic policy thus functioned to remind those frequently doing business on the mainland of the differences between the two sides.

It has been relatively well-known that, since the end of the Cold War, Taiwan has relied heavily on its democratic image to highlight China’s authoritarian nature in its struggle for broader international space. What has largely gone unnoticed is that,

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whatever one’s view on the quality of Taiwanese democracy, playing the democracy card to differentiate Taiwan from China in effect perpetuates Taiwan’s subaltern status vis-à-vis ‘mature’ democracies which now feel more comfortable to compromise Taiwan’s interests when dealing with China. One of the most striking findings in this thesis is that, despite of the near-consensus among academics and practitioners of East Asian security about the potential destruction that the PLA can inflict on Taiwan, the continuing decline of Taiwan’s regular defence budgets as a percentage of GDP during the first six years of Chen’s presidency shows that the notion of the offence-defence balance that the DPP government employed to push for the special defence budget in effect worked to constitute a peace-loving Taiwanese identity threatened by the war-like Chinese rather than provide an ‘objective’ measurement of the dangerousness of Chinese military power on which Taiwan’s national defence is built.

Such an identity strategy that focuses only on drawing boundaries (e.g., the obsession with the numbers game of buying more diplomatic allies that recognise Taiwan’s sovereignty, a concept that conceives China as belonging to the outside) but not on clarifying what is within the boundaries (e.g., what modes of being and forms of life Taiwanese could adopt or should adopt) is not without problems. Jervis suspects that the cost of overestimating the other’s hostility is itself often underestimated.4 Chapter 7 has illustrated how costly adopting a politics of difference which defines someone outside as an antagonist instead of refining one’s own self-understanding can be in the Taiwanese context. One may ask, given Taiwan’s unique status in international society, how reasonable is it to criticise Taipei’s practice with such high-mindedness and will an ‘ethical foreign policy’ bring a more desired result? As seen in the corrosive effects of Taiwan’s chequebook diplomacy on its domestic politics, however, failure to subordinate political goals to the requirements

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of justice leads to self-defeating behaviour abroad and at home. The Taiwanese identity constructed through such a boundary-creating exercise is likewise unable to confer meaningful social purpose necessary for the intelligent formulation of national interests. Therefore, although this thesis refuses to endorse any essentialist definition of identity, it maintains that ethics is an integral part of identity and their separation can produce unwanted consequences as the Taiwanese case has shown.

8.2 From External Threat to Self-Reflection

Mainstream IR theory defines security as protection against external threats. Accordingly, Taiwan’s security policy has been defined almost entirely in terms of opposition to the PRC; perceived domestic threats to security (such as pro-China elements in Taiwanese political system) are generally seen as extensions of the external threat. What is strikingly absent from Taiwan’s post-Cold War security debate is any recognition of internal threats to security that are not simply offshoots of perceived external ones. By internal threats I mean factors that might hinder political leaders and general public alike from recognising the dangers of hubris brought by their past success (e.g., Taiwan’s economic and political ‘miracles’) and overestimation of external threats. As explicated in the preceding chapters, Taiwan’s security policy is based on, or at least in line with, various modern realist assumptions. This is not to say that these theories should be held responsible for Taiwanese leaders’ behaviour, considering the complex relationship between theory and practice. But the fact that they are poorly equipped to help contemplate the nature of the internal threats to Taiwan’s security or are even constitutive of the political problems in Taiwan requires some sober reflection.

Take John Mearsheimer’s offensive realism for example. To grasp the role of The
Tragedy of Great Power Politics,\(^5\) it is illustrative to compare it to Samuel Huntington’s (in)famous writings regarding the ‘clash of civilizations’ thesis. The problem is not really whether their works are intellectually sophisticated, or whether they are influential in the making of US or Taiwanese foreign policy. Instead, these texts are powerful as polemics that set the terms of the relevant debates in particular ways that in effect serve to limit the range of possible responses. Mearsheimer succeeded in making offensive realism congenial to academics and practitioners of international security not by making arguments that all would agree with, but by entertaining the exotic China debate in terms of familiar vocabularies and frameworks. Whether or not one thinks Mearsheimer’s prescriptions unhelpful, policy recommendations explicitly proffered in The Tragedy of Great Power Politics may appear responsible for some, yet they leave unquestioned the role and function of the intellectual.

For Hans Morgenthau, IR scholars have the responsibility to seek truth, against power if necessary, and to speak the truth to power even though power may try to silence their voice.\(^6\) Morgenthau’s commitment to truth leads him to argue that political science is always, by definition, a ‘subversive and revolutionary’ force. It cannot be merely an explanation of ‘things as they are’; rather, it must always strive to unmask claims to truth emanating from power. What Morgenthau maintains is the duty, for intellectuals, to practice ‘an ethos of permanent criticism’.\(^7\) Of course, one may dispute his idea of truth, or question his views about the relation between truth and power, but it is hard to challenge such a commitment, no matter how each scholar

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understands this ethos.\textsuperscript{8} To consider Morgenthau’s views on responsible scholarship has one crucial implication here. By advocating ideas that work to limit our space for critical thinking in favour of power politics and ‘things as they are’, Mearsheimer turns himself into what Morgenthau called the ‘ideologue’, providing an ‘intellectual gloss upon power which is made to appear as the objective truth’.\textsuperscript{9} This is, I think, the main significance and danger of offensive realism.

Again, this is not to say that one can be overly optimistic about the prospects of East Asian security. In fact, I cannot agree with Mearsheimer more on his comments about how US policy makers would react to a rising China if they perceive Beijing’s behaviour as attempts to dominate Asia (that is to say, if they understand the world in zero-sum power-transition terms). The tragedy of great power politics in this sense has less to do with the distribution of power in the international system \textit{per se}, but has more to do with how the offensive realist mantra of ‘rising powers are inherently destabilising’ itself becomes a lens through which one side only looks for confirming evidence of the other’s predisposition to threaten. If the construction and persistence of this fatalist trope is perhaps more a sociological phenomenon than anything scientific (in a positivist sense), and if all the theoretical schools of thought in IR are attempting to get their audience to ‘buy in’ to their arguments,\textsuperscript{10} should not we—as intellectuals and citizens—demand the seller to be responsible for their own products?

\textbf{8.3 ‘China Threat Theory’ Revisited}

The reinterpretation of the relationship between Taiwan’s threat perception and its

\textsuperscript{8} Ibid.
\textsuperscript{9} Morgenthau, \textit{Truth and Power}, pp. 17, 26.
national identity formation has important policy implications both for Taipei and the object of its constant articulations of danger—China. As far as the incumbent KMT government’s new diplomatic paradigm is concerned (so-called _huolu waijiao_ or ‘vital diplomacy’), Taipei’s foreign policy establishment has called for a ‘diplomatic truce’ with Beijing which will stop both Taiwan and China from wooing each other’s diplomatic allies through bribes (discussed in Chapter 7). Although this move appears to be in line with my critique of previous chequebook diplomacy during the Lee and Chen presidencies, the rationale of Taipei’s initiative is not based on any ‘enlightened’ understanding of the connection between ethics and interest, or any thorough self-examination as to _what kind of_ Taiwanese identity they wish to be seen in the international community and how to live up to that image.\(^{11}\) Rather, it is driven by the same narrow calculation of self-interest and a ‘tit-for-tat’ mode of co-operation. Therefore, the fragile diplomatic truce is likely to collapse as long as Taipei does not extract what it perceives as significant concessions from Beijing over time. President Ma Ying-jeou in an interview in August 2008 went so far as to warn that ‘diplomatic war’ against the PRC would be reopened (meaning the restoration of chequebook diplomacy) if his ‘vital diplomacy’ could not work out.\(^{12}\) It remains to be seen whether Taipei can cultivate a vision that moves away from the current boundary-drawing practice (including the preoccupation with the number of diplomatic allies that affirms the existence of a sovereign Taiwan _vis-à-vis_ China) and instead focuses on refining the contents within the boundaries.

In addition, if it is plausible to describe the Cold War as a powerful and pervasive historical configuration of the discursive economy of identity/difference

\(^{11}\) For an inspiring reflection on how international perceptions of the United States have deteriorated in the post-9/11 era, see Peter J. Katzenstein and Robert O. Keohane (eds.), _Anti-Americanisms in World Politics_ (Ithaca: Cornell University Press, 2007).

\(^{12}\) ‘PRC Must Accept Taiwan’s Peace Offer, or Else: Ma’, _Taipei Times_, 27 August, 2008.
whose logic is outliving the demise of the Soviet Union, as David Campbell argues, what follows is that the predominant perceptions of the China threat in Taiwanese security discourse are essentially specific to the time and place; they are among many articulations of danger constantly in circulation that rise to prominence and are exacerbated when changes in the political conditions allow it. As such, ‘China threats’ could be replaced by new objects of enmity. In this regard, it might be worth observing the treatments of migrant workers and foreign brides from Southeast Asia under the recently inaugurated Ma administration, which has thus far maintained a certain distance from its predecessor’s identity strategies. How to avoid or even demolish the techniques and exclusions by which China’s threat image has been framed in Taiwan, then, has important bearing on the future formation of Taiwanese identity.

An extended question that follows this analysis is that why does Taiwan (not only in terms of the government and political elites but the community as a whole) have such difficulty in constructing an identity—such that it resorts to making the most of the ‘China threat’? One might suspect that the politics of difference as practiced in Taiwan is not uncommon among countries in comparable settings. After all, it is almost always easier to say A is not B than to spell out what exactly A is/ought to be. But as Chapter 5 has mentioned, it is no less important to appreciate the historical reality that Taiwan has been both a Confucian and a post-colonial society and liberalisation and democratisation are late comers. Such a history tends to produce political actors who used to be submissive to the authoritarian regime. As Shih Chih-yu indicates, ‘Highly sensitive to signs of submission, political actors are incapable of making a compromise, even though confrontation is against their obvious interest…A possible scenario is that the higher the cost, the higher the felt value of the
This suggests that rational calculation and political liberalism do not present a ‘quick fix’ to the construction of Taiwanese identity. Rather, more attention should be paid to exploring how post-colonialism and Confucianism interact with domestic modernisation (embedded in liberalisation and democratisation) and external modernisation (mainstream IR theory in general and realism in particular).

Although it has not been the purpose of this thesis to discuss Beijing’s response to the widespread ‘China threat theory’ in Taiwan, this analysis has relevance for its Taiwan policy. Worrying that the rise of Taiwanese nationalism will permanently dampen the prospects of peaceful unification, the PRC has sought to ameliorate its threat image by introducing a series of measures (such as providing preferential treatments to Taiwanese businessmen, farmers, and students) since the mid-2000s.

Even the Anti-Secession Law, which the DPP government repeatedly cited as hard evidence that China is indeed a threat to Taiwan and to world peace, stipulates peaceful means as the most preferable approach to reaching the long-term goal of national unification (Article 5). The law, together with the rise of China’s ‘peaceful development’ discourse, can be understood as part of PRC leaders’ recent efforts to make their beliefs and values more explicit to the Taiwanese, a direction that Jervis suggests is taken in order to reduce perceptual errors.

In this regard, the acknowledgement of the ‘reaction-against-China threat’ assumption shows that Beijing is not necessarily unable to formulate a Taiwan policy.

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13 Chih-yu Shih, Democracy (Made in Taiwan): The ‘Success’ State as a Political Theory (Lanham: Lexington Books, 2007), p. 6. This resembles Kenneth Boulding’s discussion about ‘sacrifice creates value’.

14 This creates another puzzle that warrants further inquiry since an apparent hostile image in Taiwan serves Beijing’s purpose to deter the independence movement. A preliminary attempt can be found in Yong Deng, ‘Reputation and the Security Dilemma: China Reacts to the China Threat Theory’, in Alastair Iain Johnston and Robert S. Ross (eds.), New Directions in the Study of China’s Foreign Policy (Stanford: Stanford University Press, 2006), pp. 186-214, which attributes China’s vigilance against its threat image abroad to the concern over the security dilemma.


with certain reflexivity as it is often depicted in the Chinese foreign policy literature. Nevertheless, this analysis is sceptical about the effectiveness of Beijing’s new approach to Taiwan, for it confuses symptoms with causes. Because China’s threat image has been an integral element in the discursive constitution of Taiwanese national identity, simply correcting sources of misperception is unlikely to put an end to the production and reproduction of the China threat theory in Taiwan. The Taiwanese case also suggests that the persistence of the China threat theory in other parts of the world might be a product of identity politics rather than mere perceptual errors or malign foreign designs.
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