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**THE TAIWAN ISSUE IN THE CONTEXT OF
NEW SINO – U.S. STRATEGIC COOPERATION**

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Since Chen Shui-bian won his Presidential reelection bid in March 2004 by fostering and promoting a “Taiwan identity” and “de-sinification,” the Taiwan issue has once again become a hot topic for the region and the world. Thus, dealing with this potentially explosive issue on a bilateral basis becomes the most pressing concern between China and the United States.

For China, which believes that Chen is determined to achieve or at least advance his goal of formal Taiwan independence, deterring Taiwan from de jure independence and simultaneously framing a new Taiwan policy has become one of the two top policy priorities, the other being preventing its economy from over-heating. For the United States, the Taiwan issue has recently become one of its most significant national security issues, just behind post-war reconstruction in Iraq and just as urgent as the North Korean nuclear crisis. Without proper management of the Taiwan issue, not only could the American counter-terrorism strategy possibly be damaged, but other hotspots worldwide could become explosive as well, forcing the United States to face constant crises at the cost of its national power.

The Taiwan issue has also become a key indicator for future Sino-U.S. relations: will the current strategic cooperation last and lead to a second normalization? Or will a New Cold War or even military conflict take place? The outcome will depend on whether the two countries can correct existing misperceptions and achieve new strategic understanding on the radically changing Taiwan issue. This paper will put the Taiwan issue in the context of the post 9/11 and post-Korea strategic cooperation between China and the U.S. It will discuss the potential problems surrounding the Taiwan issue: the risks of mutual misperceptions, the leverage America holds in relation to Taiwan, the orientation of China’s new Taiwan policy, and the possibilities for U.S.-China cooperation. Finally, several policy recommendations will be put forward.

The New Sino-U.S. Strategic Cooperation and Its Limitations

Aside from the Taiwan issue, one could say that the Sino-U.S. relationship is currently in its best shape since normalization in 1972 (as U.S. Secretary of State Colin Powell has stated), though it may be more accurate to say that it is the most mature it has been since 1972. That is to say that both sides are more realistic in dealing with each other, expanding not only the areas of common interest but also learning to tolerate differences and manage conflicts. Encouraging signals can be found almost everywhere.

- The frequent and in-depth communication between the top leaders in the past several years was further spurred by Chinese Premier Wen Jiabao’s visit to the United States and U.S. Vice President Richard Cheney’s visit to China. Such visits help promote increased political understanding.
- Neither of the U.S. presidential candidates, George W. Bush or John Kerry, made China an issue in the election. On the contrary, recent visits to Beijing by Colin Powell and Condoleezza Rice indicate that the Bush Administration hopes to maintain a stable relationship with China during its second term.
- Chinese Defense Minister General Cao Gangchuan’s visit to Washington and Chairman of the U.S. Joint Chiefs of Staff General Richard Myers’ visit to Beijing

signaled that the bilateral mil-to-mil relationship has been formally resumed. Both sides have tried to get beyond the 2001 “air collision accident,” exploring new possibilities for cooperation.

- The volume of bilateral trade amounted to U.S.\$180 billion in 2003 (according to American statistics), far beyond the expectations of even the most optimistic analysts in either country. Chinese Vice Premier Wu Yi’s visit to Washington in April 2004 and the upgrade of the U.S.-China Joint Commission on Commerce and Trade (JCCT) showed that bilateral economic disputes over the trade deficit and the revaluation of Chinese currency could be rationally managed. This is in sharp contrast to economic relations before 2000, when PNTR had not yet been passed by the U.S. government.
- The FBI was allowed by the Chinese government to open a Beijing office. This was unimaginable just a few years ago when China was publicly viewed as a “strategic competitor” by the U.S., and America was viewed as a “hegemonic power” by China.
- The three rounds of six-party talks held to date would have been impossible without the joint effort of both China and the U.S. This indicates that common interests on the Korean peninsula can be identified among the original Korean War rivals.
- Cooperation on counter-terrorism and counter-proliferation has deepened, in the areas of intelligence sharing, anti-money laundering efforts, frequent strategic consulting, and agreements on Chinese regulation of its missile sales. This proves that the two countries can effectively cooperate, even on sensitive, security-related issues.
- The two sides have tacitly acknowledged new geopolitical realities on the key security issues of the U.S. military presence in East and Central Asia. The deep-seated suspicion over the motives and actions of the other side and efforts to contain or undermine the other’s power or influence have declined.
- Dozens of channels of communication and cooperation have been established, such as telephone hot-lines, mil-to-mil exchanges, economic and education communication, security dialogue, counter-terrorism cooperation, crisis management, HIV/AIDS prevention, maritime security, environmental protection, track-two strategic dialogue, Olympic security cooperation, naval port-calls, and legal training programs. Most impressively, the recent visit to the Chinese People’s Congress by two senior U.S. Senators, Ted Stevens and Majority Leader Bill Frist, opened a communication channel between the two legislatures. As a result, bilateral relations as a whole are more likely to remain stable, even if one or two mechanisms break down.

These positive developments together indicate that the two sides are moving toward a new strategic cooperation. This is the essence of the so-called “candid, constructive and cooperative relationship.” The conventional wisdom is that this new strategic cooperation is primarily driven by: (1) the post-9/11 shift in American strategic focus from containing China to countering terrorism; (2) the war in Iraq and post-war reconstruction, which actually slowed the Bush Administration’s originally planned reorientation of its geopolitical strategy toward the East; (3)

the opportunity provided by the North Korean nuclear crisis for China to become an ad hoc American ally.

These factors are rather superficial, however, and have merely provided opportunities rather than decided the direction of the Sino-U.S. relationship. Two more substantial facts should be stressed.

First, the two countries are bound to cooperate due to deepening mutual strategic needs. To the American leadership and strategists, the reality of the early 21st century is that, given the transnational natures of globalization, information, terrorism, proliferation of weapons of mass destruction (WMD), failed states, economic recession, and HIV/AIDS, the United States could not be a world leader without the cooperation of the regional powers. The situation in post-war Iraq indicates that the U.S. cannot even manage a small country without substantial help from the international community. Therefore, according to Colin Powell, Condoleezza Rice, and President Bush himself, cooperation with the major powers should be America's top diplomatic goal; China, undoubtedly a big power, should be an important partner. This spirit was clearly embodied in the Bush Administration's only *National Security Strategy Report*, issued on September 30, 2002.

For China, fulfillment of its grand strategy of "the establishment of a well-off society in an all-round way" through economic modernization and integration within the international community, is impossible without positive relations with the United States. Making America the "first priority" of Chinese diplomacy, a policy adopted by their predecessors, Hu Jintao and Wen Jiabao pursue a more moderate and realistic accommodation with the United States. This policy can be seen in China's positive involvement in the six-party talks on the North Korean nuclear issue, support for the American counter-terrorism strategy, acceptance of the reality of an American military presence in East and Central Asia, a change in rhetoric from "anti-hegemony" to "anti-unilateralism," serious consideration of the bilateral trade imbalance and the revaluation of the *renminbi* (RMB). These mutual strategic needs explain the new strategic cooperation between China and the U.S. more accurately than a simple list of external factors arising from September 11.

The lessons learned through thirty years of Sino-U.S. interaction are also important. Those lessons include: (1) cooperation leads to a win-win situation, but confrontation creates a zero-sum environment; and (2) the importance of seeking common ground while reserving differences. As a matter of fact, President Bush began to adjust his China policy before the April 1, 2001 "air collision accident," not after September 11. This implies that Bush knows the rules of the game of the Sino-U.S. relationship. The Chinese leadership, on the other hand, is only gradually beginning to understand that China must function within a world dominated by the United States as the sole superpower. Acceptance rather than denial of this reality is the wisest choice.

In sum, current Sino-U.S. strategic cooperation has been driven by both external factors and the internal dynamic. However, because negative factors remain, nobody can state that the future of Sino-U.S. relations will be without tension. For example:

- The U.S. Department of Defense continues to maintain a relatively hostile attitude toward China. This can be seen clearly through Secretary of Defense Donald Rumsfeld and the Deputy Secretary Paul Wolfowitz's reluctance to visit China, the negative assessment of the People's Liberation Army (PLA) in the Defense Department's *Annual Report on the Military Power of PRC* submitted to the Congress, and its unprecedented (since 1979) military support of Taiwan.
- Congress has not changed its original negative attitude toward China. Two specific commissions on China and two Taiwan caucuses check the positive changes in the Bush Administration's stance toward China. Some Congress members have even called for rethinking the "one China policy" and a redefinition of the Taiwan Relations Act.
- Several influential conservative think tanks, such as the Heritage Foundation, American Enterprise Institute, and Project for the New American Century, still harbor very deep suspicions toward China.
- Most importantly, several structural contradictions between the two countries are apparent to most American strategists who prefer to view China suspiciously. They perceive that: (1) a rising China will inevitably challenge the American superpower position in the Asia-Pacific region and even around the world; (2) China is still a socialist country despite its free market economy and open door policy; (3) China poses a geopolitical obstacle to the U.S. in East and Central Asia; and (4) China's military modernization will lead to regional instability.
- From the Chinese side, a strong nationalism is emerging. Although Japanese re-militarization and Taiwan independence are the main targets, unfriendly American words and deeds toward China also cause a strong counter-reaction, weakening support among the Chinese public for positive Sino-U.S. relations.

These negative attitudes limit the development of Sino-U.S. relations and give an impression that current strategic cooperation is tactical and temporary. Should terrorism and the war in Iraq fade as U.S. interests, it seems highly possible that China-U.S. relations will revert to strategic competition. Recent Chinese concern of the intentions behind U.S. military exercises such as "Summer Pulse 2004" and "Dragon Thunder" reflect deep distrust. Continuing the current positive cooperative trend is an issue for both countries.

Unlike the early 1990s, when economic and human rights issues were the main source of negative American attitudes towards China, today Taiwan and Taiwan-related security issues are the primary reason. In other words, the Taiwan issue is the main obstacle to deeper Sino-U.S. strategic cooperation. Effective management of the Taiwan issue undoubtedly will help maintain the current positive momentum of bilateral relations. But unfortunately, despite the recent cooperation, the danger of a U.S.-China conflict over Taiwan is more real than ever. Even the most optimistic scholars in both countries express serious concern, in varying degrees. The focus of research on the Taiwan issue is going to shift gradually from how to resume a cross-strait dialogue to how to avoid military conflict.

Hence, we can draw three conclusions:

- (1) Recent cooperation on counter-terrorism and the North Korean nuclear crisis has created an opportunity for a new strategic cooperation in U.S.-China relations. Without a clear understanding on the Taiwan issue however, this cooperation will not last long. It may even stop abruptly if serious conflict over Taiwan develops.
- (2) As the United States faces two major security problems in Iraq and North Korea, it cannot afford another, more serious, problem relating to Taiwan. China is currently rising, and this process would undoubtedly be interrupted by a war over Taiwan. The leadership in both countries should strive to achieve agreement on the “new” Taiwan issue, thereby achieving a win-win-win result and avoiding conflict.
- (3) Because it is in the interest of both China and the United States to manage the Taiwan issue, both sides can and should find a realistic way to address it.

The Taiwan Issue: Structural Complexity

The Taiwan problem was originally a relatively simple domestic problem produced by the Chinese Civil War. It was specific historical events - the Korean War and then the Cold War - that turned a simple problem into one of the most complex issues in international relations. Two variables helped to create the complexity: the involvement of a foreign force (the United States), and the dispute over Taiwan’s international status (the so-called “Taiwan’s position is yet to be decided” idea).

The normalization of Sino-U.S. relations between 1972 and 1979 can be viewed as a process of mutual contest, struggle and compromise between the two sides over the Taiwan issue. Despite successfully forcing the U.S. to make concessions and accept its three basic principles (to sever diplomatic relations with Taiwan, to abrogate the U.S.-Taiwan Defense Treaty, and to withdraw American military forces from Taiwan), the Chinese government also made concessions leaving the U.S. government specified wiggle room on the meaning “one China.” The resulting dispute over words such as “recognize” or “acknowledge” indicates and produces far different understandings of the same transcript of the Three Communiqués in Beijing and Washington. The use of different terms in the English and Chinese versions of the normalization communiqué (“acknowledge” versus “recognize” concerning Taiwan’s status) made things even more complex.

More importantly, driven by domestic politics and a desire that Taiwan not be subject to intimidation, the U.S. took steps to reaffirm its commitment and reassure Taiwan when it reduced security ties. This indicates that the U.S. retained an active interest in the peaceful resolution of the Taiwan Strait issue, and, together with the Taiwan Relations Act (a domestic act unilaterally passed by the U.S. Congress and signed by President Carter) and the Six Assurances (a secret directive from President Reagan in 1982, days before the August 17 Communiqué), left China with the strong impression that the U.S. had adopted a de facto double-dealing policy on the Taiwan issue. Accordingly, China’s position is that the political effect of the Three

Communiqués, and especially the August 17 Communiqué, was actually no greater than that of average official documents rather than sober international agreements. This “offset effect” was evident in the American understanding that: (1) the Taiwan Relations Act and the Six Assurances are more important than the Three Communiqués; and (2) the American government’s Taiwan policy should be formulated with reference to specific conditions in the international environment, Sino-U.S. relations, U.S. domestic politics, cross-Strait relations, and American interests rather than the interests of the other two parties. The Taiwan issue becomes further complicated.

Despite disputes between China and the U.S. on the Taiwan issue during the latter stages of the Cold War, both sides tacitly agreed on the spirit of the Three Communiqués, in which the idea of “one China” is the most important pillar. Also, the Taiwan leaders at the time were not in favor of leading the Taiwanese people to “independence”; it was not yet a hot debate in cross-Strait relations. Interaction between the U.S., China, and Taiwan was conducted within the framework of “one China” and was confirmed by both the Three Communiqués and the Taiwan Relations Act. The Taiwan Strait area therefore enjoyed peace and stability. This situation was produced by three factors: (1) China was viewed as a strategic partner against the Soviet Union by the United States; (2) China was focusing its energy and resources on economic modernization and integration with the international community, and Taiwan was viewed as a secondary issue in the Chinese grand strategy; and (3) Taiwan was under the control of the “Chiang Dynasty” (Chiang Kai-shek and Chiang Ching-kuo) which pursued a “one China” principle.

After the Cold War, however, all three of these factors changed. The “status quo” of the “dynamic balance” among the three parties faced serious challenges, and instability in the Taiwan Strait became inevitable. On the surface, the waves in the Taiwan Strait were caused by a series of events, such as the American sale of 150 F-16 fighters to Taiwan (1992), Lee Teng-hui’s visit to Cornell University (1995), Chinese missile tests (1996), President Clinton’s “three no’s” statement (1998), Lee Teng-hui’s “two states theory” (1999), and China’s White Paper on Taiwan (2000). In fact, however, more substantial structural factors created the ups and downs of the Taiwan Strait situation. Three components made the existing framework of peace and stability in the Taiwan Strait unsustainable.

First, after the Cold War the international structure changed from bipolar to unipolar, with the United States as the world’s sole superpower. Accordingly, American global strategy shifted from winning the Cold War to maintaining its international dominance; preventing any competitor from challenging American power thus became the priority of the U.S. national security strategy. China, because of both its rapid political and economic development and the nature of its social system, became America’s major potential adversary, rather than a strategic partner. In this context, Taiwan’s strategic importance in both containing China and preventing China from controlling the Taiwan Strait has gradually become apparent and is highly valued by American strategists and policymakers. Upgrades in U.S.-Taiwan security cooperation thus occurred year by year, triggering Chinese missile deployment on its southeast coast (facing Taiwan) and encouraging Taiwan’s leaders to more boldly pursue their own way. A vicious cycle developed, with the Chinese missile deployment and military modernization spurring further U.S.-Taiwan security cooperation.

A second change from the Cold War structure is China's continuing economic and political rise, which has led to three changes relating to the Taiwan issue.

- (1) Taiwan became more economically dependent on China, and therefore more vulnerable; China's growing military power was threatening; and its greater diplomatic clout increased Taiwan's isolation. Taiwan's previous psychological advantage over the Mainland ceased to exist. Therefore, in boasting of its democratic achievements, the Taiwan leadership clearly demonstrated that it had lost confidence that Taiwan could someday reunify with the Mainland under Sun Yat-sen's Three Principles of the People (*sanminzhuyi*), as was pursued by the "Chiang Dynasty." Given this reality, President Lee Teng-hui abandoned the orthodox approach toward the unification of China and adopted a disengagement strategy. Taiwan's "Two States Theory" asserts that the Mainland and Taiwan can be reunified only if Mainland China admits that Taiwan has been an "independent 'state.'" This theory was not only criticized by the Chinese government but was also condemned by those Taiwanese people who maintained the old thinking that Taiwan and the Mainland belonged to one China.
- (2) After Hong Kong and Macao's return, the Chinese people and leadership very naturally focused on the reunification of Taiwan. This is another factor that should be kept in mind to understand the challenges to the existing framework.
- (3) Taiwan entered a new era of "western democracy," which led to four outcomes:
 - a) In a newly democratic system, a long-suppressed debate over the "one China" notion, unification, and Taiwan independence commenced.
 - b) Recognizing Taiwan democratization, American support for Taiwan became more heart-felt. The post-democratization moral support from Washington changed the U.S.-Taiwan relationship from an "interest-based alliance" to a "values-based alliance."
 - c) With democratization and economic development, sovereignty, security, and dignity became the top priorities in Taiwan domestic politics, providing fertile ground for de-sinification rhetoric. Accordingly, Taiwan people are divided into several groups: Taiwanese, mainland Chinese, people who see themselves as both Taiwanese and Chinese, and natives of Taiwan living overseas. It has proven difficult for the divided Taiwan society to achieve consensus on the "one China" issue.
 - d) Lee Teng-hui's declaration of the end of the Chinese Civil War in 1991 and the victory of a non-KMT party in Taiwan's 2000 presidential election ended the possibility that the CCP and the KMT could find a political solution that China could regard as closely connected with the Civil War. The original warring party, the KMT, was no longer in power, and the newly-elected DPP had begun its pursuit of de-sinification and Taiwan independence.

Interpreting the 2004 Taiwan Presidential election: Taiwan Identity or Taiwan Independence?

The current tension was created by the 2004 Taiwan presidential election. In comparison to the 2000 election in which the DPP won only 39% of the vote - primarily for promoting reform rather than independence -¹ the 2004 election focused on the issues of referendum and “Taiwan identity,” and Chen won re-election with just over 50% of the vote. The election may prove a watershed for Taiwan’s future political orientation; will it become a full democracy with a divided society? Will the authorities there promote Taiwan identity or Taiwan independence?

The U.S. and China have very different answers to these two key questions. To many American observers, “Taiwan has become a fully-developed democracy, complete with hard-fought elections, narrow margins of victory, and demands for recounts—all hallmarks of a true democracy,”² and, “is a success story for democracy in Asia and around the world.”³ From the Chinese perspective, on the other hand, the 2004 election and its aftermath reveal that Taiwan society is divided, Taiwan’s democracy is immature, and an unsuitable model for future politics on the Mainland.

Similarly, Americans and Chinese have different interpretations of the reasons behind Chen’s re-election. For many American analysts, the 2004 election indicates increased focus on “Taiwan identity” rather than on “Taiwan independence,” and they may feel that “Taiwan identity has emerged as a political and social issue on the island that figures in election campaigns.”⁴ For Mainland Chinese, the election implies that the pro-independence forces have gradually risen to dominance and will continue to guide Taiwan domestic politics. Analysis of the concepts of “Taiwan identity” and “Taiwan independence” and their inter-relation is very important in judging the situation.

First, it is clear that “Taiwan identity” and “Taiwan independence” are two different concepts and should not be confused. “Taiwan identity” is the Taiwanese people’s sense of themselves. It is a natural product of their self-awareness, that the people in Taiwan as an entity possess distinct qualities that differentiate them from others (Mainlanders or Chinese), or the others from them. There are several reasons for the emergence of a “Taiwan identity:” (1) Ethnic integration. Four groups of people (Mainlanders 12%, Taiwanese 70%, Hakka 15%, Aborigines 3%) with different backgrounds live on the same small island, and ethnic conflict has long been a problem. Identification as “Taiwanese” thus becomes somewhat common sense for most people on the island. (2) The natural result of historical development. Separated from the Mainland since 1949, or even 1894, a Taiwan consciousness based on common territory, common economic conditions, a common political system, and common security concerns has gradually emerged. (3) Reaction to repression from “outsiders.” Taiwanese feel that they have been fighting against outsiders for

¹ Shelley Rigger, “Taiwan Voted for Reform, Not for Independence,” *Asian Wall Street Journal*, March 20, 2000.

² Tom Lantos, Statement at House International Relations Committee Hearing on the 25th Anniversary of the Taiwan Relations Act, April 21, 2004.

³ Statement of Assistant Secretary of State James Kelly at House International Relations Committee Hearing on Taiwan, April 21, 2004.

⁴ Assistant Secretary of State James Kelly official April 21, 2004 Congressional testimony, <http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2004&m=April&x=20040421180231ASesuarK0.6475794&t=xarchives/xarchitem.html>.

centuries; the Spanish, Portuguese, Dutch, the Japanese occupiers, the Chinese Mainlanders represented by the KMT (“old outsiders”), and now the Chinese Mainlanders of the PRC (“new outsiders”).⁵ Resistance to repression from “outsiders” provides a strong impetus for the emergence of a Taiwan identity.

Admittedly, this objectively emerging Taiwan identity does not necessarily translate into Taiwan independence. More importantly, the Taiwan identity has a duality that allows one to identify oneself as both Taiwanese and Chinese. According to Shelley Rigger, the Taiwan identity is confused by four distinct issues: provincial origin (ethnic/sub-ethnic identity), nationality (ethno-cultural identity), citizenship (political identity), and policy preference (either for Taiwan independence or Chinese unification).⁶ Independence is only one of four components of Taiwan identity, but identity does shape people’s behavior. If the Taiwanese pursuit of identity should become focused on “policy preference” rather than just ethnic or cultural identity, then a Taiwan identity can become an excellent political tool to be used to re-draw the political map by reorganizing a sovereign polity or producing a new political entity. Lee Teng-hui and Chen Shui-bian appear to have had just this development in mind for the past several years.

However, wielding the “Taiwan Identity” in this way is not an easy task. According to Samuel Huntington, national identity, a primary aspect of self-identity, is relatively fixed rather than fungible. Huntington goes on to make several key points concerning identities and their changeability: (1) Individuals and groups both possess identities. Individual identity is changeable and is often defined in terms of groups. The identity of a group is fixed rather than fungible. (2) Identity is often constructed as, “people make their identity under varying degrees of pressure, inducements, and freedom.” With the exceptions of ancestry, gender, and age, individuals are free to construct their self-identity as they choose. Inherited traits, such as race and ethnicity, can be redefined, rejected, or rendered meaningless in time. Without subjective construction by specific political groups, it is difficult, but possible, to change the relatively fixed national identity. (3) Individuals and groups can possess multiple identities. Only in extreme social and political situations can the multiple identities be changed into one. (4) Each identity of an individual or a group has a situational value relative to other identities and the value or relevancy of each identity can change over time. In some situations, people stress that aspect of their identity that links them to the people with whom they are interacting. In other situations, people emphasize that aspect of their identity that distinguishes them from others. (5) An individual or group identity requires an “other” for self-definition. For group identity, this need for an other leads people to believe that their group is better than other groups. And, the “enemy” always stimulates people to unite to show their “sameness” rather than their “difference.”⁷

With an understanding of these features of national identity it is easy to discuss the relationship between Taiwan identity and Taiwan independence. On the one hand, Taiwan identity is both

⁵ June Teufel Dreyer, “Taiwan’s Evolving Identity,” *Asia Program Special Report*, No. 114, August 2003, Woodrow Wilson International Center for Scholars.

⁶ Shelley Rigger, “Disaggregating the Concept of National Identity,” *Asia Program Special Report*, No. 114, August 2003, Woodrow Wilson International Center for Scholars.

⁷ Paragraph is adapted from the thoughts of Samuel P. Huntington, *Are We? The Challenges to America’s National Identity*, Simon & Schuster, 2004, p.21-26.

the result of objective developments in Taiwan politics, society, and culture and a subjective push by pro-independence forces who understand that identity shapes the behavior of people. On the other hand, Taiwan identity provides a solid base for pro-independence forces to push for Taiwan independence. And more importantly, the dominant political group may effectively exaggerate the existing national identity to change the existing nationality. This can be called “distorted nationalism.” The form below shows how the Lee Teng-hui and Chen Shui-bian Administrations have in the past ten years deliberately strengthened the existing Taiwan identity and in turn used the Taiwan identity to pursue Taiwan independence.

Sources of Identity: The Case of Taiwan⁸

Source	Contents	Lee and Chen Administrations
Ascriptive	Age, ancestry, gender, kin, ethnicity (defined as extended kin), race	Reluctance to be “Chinese” (Lee and Chen played down and, at times, rejected the ascriptive bases of Chinese identity and sought through the assertion of a Taiwanese nationality and ethnicity to undermine its cultural roots.)
Cultural	Clan, tribe, ethnicity (defined as a way of life), language, nationality, religion, civilization	De-sinification (Through the advocacy of localization education, such as textbook revision, they hope to gradually cultivate “Taiwanese culture.”)
Territorial	Neighborhood, village, town, city, province, state, section, country, geographical area, continent, hemisphere	The “name change” movement and Constitutional revision (One can not rule out Chen proposing a constitutional amendment that covers issues relating to territory.)
Political	Faction, clique, leader, interest group, movement, cause, party, ideology, state	Demonization of the “one China” policy (“One China” has become a “taboo” in Taiwan political and social life under Lee and Chen.)
Economic	Job, occupation, profession, work group, employer, industry, economic sector, labor union, class	Reluctance to expedite the three links. (After 2000, when the Mainland loosened its original position that “one China” should be the precondition to open the “three links,” the Chen Administration adopted a relatively negative attitude toward direct links.)
Social	Friends, club, team, colleagues, leisure group, status	Ethnic confrontation and divided society (Taiwanese vs. Chinese and pan-Blue vs. pan-Green)

In the 2004 election, this relationship between Taiwan identity and Taiwan independence was used cleverly by the DPP pan-Green led team in several ways. First, although the unfavorable economic situation should have been the most important topic, the pan-Greens raised the referendum issue and made the Taiwan identity-related topics of sovereignty, security, and dignity the election focus. The election then virtually became a competition between “Taiwanese” and “Chinese,” between those who defended the Republic of China (that is, a

⁸ Adapted from Samuel P. Huntington, *Who Are We: The Challenges to America’s National Identity*, Simon & Schuster, 2004, p. 27.

concept of Taiwan with historical and tangible political links to the Mainland), and those who were indifferent toward it. The continued existence of the ROC itself became an “issue,” let alone the “one China” concept. Secondly, momentum for Taiwan identity has increased significantly and was utilized by the pan-Greens as a campaign tool through such activities as “hand-in-hand in protection of Taiwan,” so that even though the pan-Blues (KMT and PFP) united and possessed a significant advantage, they failed to win the election. While the March 19 shooting incident can explain why Chen won in the end, it can not explain why he received 1.5 million more votes than he did four years ago. Third, although it was strongly opposed by both China and the United States, Taiwan held the referendum, indicating that in Taiwan politics it is more important to cater to Taiwanese social needs (the Taiwan identity) than it is to heed American warnings. In short, Chen was able to win re-election by utilizing the sense of national identity.

In this way, the Taiwan identity and Taiwan independence are so closely intertwined that one cannot easily tell the difference between them. The pan-Green team is extremely skilled at mobilizing this emerging Taiwan identity in order to win elections. In this regard, one can say that the DPP possesses the ability to use Taiwan identity to fulfill its own political purposes. Given Chen’s words and deeds during his first term (he engraved “Taiwan” on the cover of newly-issued passports, supported the “name change” movement, initiated the notion of “one country on each side,” and proposed the so-called “forward defense strategy”) and his emotional support for the referendum effort, a transition from covert, gradual, and de facto pursuit of Taiwan independence to more open, radical, and de jure policies is obvious. It is clear that pro-independence forces are and will continue to be a major force in Taiwan’s domestic politics.

This view is strengthened by Chen’s immediate post-election statements. In a series of interviews with the *Washington Post*, BBC, *Asahi Shimbun*, and *The Asian Wall Street Journal*, Chen Shui-bian was even more forthcoming than before in proclaiming publicly that, “Taiwan is an independent and sovereign state,” and in stating his intention to re-engineer the constitution, allowing the people to approve it by referendum in 2006, and enacting it in 2008, to make Taiwan a, “normal, complete, and great democratic nation.” Even influential, mainstream media such as the *Washington Post* noted that Chen’s statements indicated “an aggressive agenda to develop Taiwan as an ‘independent, sovereign country’ despite the risk of war with China.”⁹ Some people may argue that Chen’s rhetoric (臺灣是一個主權獨立國家 “Taiwan is a sovereign and independent nation”) is neither new nor necessarily proof of an intention to move toward independence; the problem, however, lies in the fact that Chen does not consider future reunification. Therefore, his emphasis on Taiwan’s “sovereignty” differs in intent from the KMT’s same rhetoric and worries the Mainland. In other words, while the KMT still views the relationship between Taiwan and China as a “cross-strait relationship,” Chen undoubtedly views it as a “state to state relationship.”

Chen’s May 20 inaugural speech provided an excellent opportunity for international observers to determine his real political intentions. Under pressure from Mainland China, the United States, and from within Taiwan, the speech avoided almost all provocative terms, such as “one country on each side,” and “constitutional revision,” and showed some “goodwill” in the statement that

⁹ Philip P. Pan and David E. Hoffman, “Taiwan’s President Maintains Hard Line: Chen Rebukes China in Interview,” *Washington Post*, March 30, 2004.

the coming constitutional amendments will focus on “good governance” rather than territorial and sovereignty issues. American officials from the White House welcomed Chen’s speech, saying that it was “responsible, constructive, and statesmanlike and we take him at his word.”¹⁰ Almost all American scholars shared this positive opinion. In contrast, most Chinese scholars and officials drew a totally different conclusion. China’s Taiwan Affairs Office released a very negative assessment, stating that Chen habitually “breaks his promises,” that his words were “trustless,” and that “the possibility of future war solely depends on Chen’s attitude.”¹¹ Why did China issue such a sharply different assessment? Several factors should be emphasized.

First, China believes that the spirit of the May speech was still “one country on each side,” and that the so-called “constructive and responsible” words were merely decorative. Chen never mentioned a “one China” policy, which the Taiwan Affairs Office’s “May 17 Statement” had requested; Chen replaced the phrase “Taiwan independence” with “towards the reconstruction of a new country community;” instead of saying “one country on each side,” he equated the Republic of China with Taiwan, and the People’s Republic of China with Mainland China; he avoided talking about the sovereignty issues being covered by the coming constitutional amendment, but mentioned that anything can be done with the consent of “23 million Taiwanese people.”

Second, Chen boldly promised that Taiwan would join the World Health Organization (WHO) in two years. That, plus U.S. support for Taiwan’s observership in the WHO would be seen by China as a challenge to its near-monopoly in the international community.

Third, the fact that the speech was directed and reviewed by the U.S. government alerted China to the fact that U.S.-Taiwan political ties had been upgraded to a high enough level that China could have difficulty controlling it.

Fourth, the experience of the past four years indicates to China that Chen’s words are worthless. Deeds are more meaningful than words.

Based on these judgments, mainstream Chinese analysts concluded that Chen’s beautiful “reverse course” was an old plot he had used skillfully in the past, and that the purpose of the speech was to stabilize the current tension in order to win the December Legislative election; he would then gradually return to his established goal of independence.

Why Pro-Independence Forces Prevail

The people of Taiwan are attracted to the Taiwan identity concept and it provided the basis for pro-independence forces to prevail in the 2004 election. At the same time, the Taiwan identity has grown “in direct relation to the progress of democracy on the island.”¹² With democratic development, the Taiwanese people have more freedom to express their political views, unlike the environment under the KMT, when the Taiwanese people were constrained from advocating independence. Under DPP leadership, people voice a variety of sentiments such as, “We want to

¹⁰ AIT Director Douglas H. Paal, May 23, 2004.

¹¹ Press conference held by Taiwan Affairs Office of State Council of China, May 24, 2004.

¹² Gray Schmitt, “Taiwan’s Democracy Needs Support, Not Benign Neglect,” *Wall Street Journal*, March 23, 2004.

be independent,” and “We are the owners of the island.” But the development of democracy is not enough to explain why pro-independence forces prevail.

Because democracy has no direct connection with sovereignty and territory, democracy and sovereignty should be considered as two different concepts. Pursuit of democracy is not necessarily the same as pursuit of independence. It is “localization” (or de-sinification) rather than democratization that has created the current situation. Democracy is a positive development that is not only welcomed by the Taiwanese people but embraced by Mainland Chinese. But because pro-independence politicians in Taipei have found that tapping into the people’s fear and loathing of the authoritarian Mainland can mobilize support and win votes, they have intertwined Taiwan identity with democracy. In this situation, “Taiwan democracy thrives on anti-China sentiment” and almost every step to deepen democracy on the island has become “indistinguishable from acts of defiance against Beijing.”¹³ Therefore, Taiwan’s democracy is not very attractive to Mainlanders, but is viewed simply as a means to localize Taiwan, or as a disguise for independence.

In fact, during the past decade when Taiwan’s democracy developed rapidly, the Chinese people enjoyed much more social, economic, and political freedom and openness. Theoretically, the development of Taiwan democracy should be connected with, rather than separated from, the changing Mainland because both sides share the same development trajectory. Unfortunately, the situation has developed contrary to the people’s wishes. Therefore, democracy per se in Taiwan is not enough to explain why the Taiwanese are seeking more independence from the Mainland. Democracy has been used by pro-independence politicians to manipulate people through tapping into their worst fears of the authoritarian Mainland government. This manipulation of democracy has even been observed by former senior DPP figures such as Hsu Hsin-liang, Shih Ming-teh, and Sisy Chen (Chen Wenqian).

Another explanation for the dominance of pro-independence forces shared by many American and Taiwan scholars is the failure or ineffectiveness of China’s Taiwan policy. But, ironically, China’s Taiwan policy in the past several years has become extremely flexible relative to past policy. For example:

- (1) The definition of “one China” has been revolutionized: “*there is but one China in the world, and both the Mainland and Taiwan belong to China. China’s sovereignty and territorial integrity brook no division.*”¹⁴ This new definition shows that China has given up the original notion that “Taiwan is part of PRC,” indirectly admitting for the first time that Taiwan is an equal political identity. This spirit was also reflected in the “May 17 Statement” issued by the Office for Taiwan Affairs under the joint auspices of the Central Committee of the CPC and the government’s State Council, which said, “as long as they (Taiwan authorities) recognize that *there is only one China in the world and both the Mainland and Taiwan belong to that one and same China*, abandon the ‘Taiwan independence’ stance and stop the separatist activities,

¹³ Minxin Pei, “Viewpoint: Democratic Contagion?” *Newsweek*, April 19, 2004.

¹⁴ The Report of 16th Conference of the Communist Party of China.

then, cross-Strait relations can hold out a bright prospect of peace, stability and development...”¹⁵

- (2) China has given up its position that “one China” should be the pre-condition for the “three links” and has proposed that the “three links” should not be politicized. Accordingly, the Mainland has actively made the “mini-three links” possible and agreed on one-way flights by Taiwanese airlines during the Spring Festival. Also, the Mainland has attempted to establish closer economic cooperation on the basis of reciprocity and mutual benefit. Taiwanese agricultural products have also been given greater access to the Mainland market.¹⁶
- (3) In October 2002, China’s then-President Jiang Zemin announced the possibility of redeploying PRC missiles away from Taiwan if the U.S. were to curtail arms sales.¹⁷ The offer suggests for the first time that Beijing might be willing to engage in a dialogue to de-militarize cross-Strait relations.¹⁸
- (4) During the 2004 Taiwan Presidential election, the Chinese government maintained a very low profile and showed no public bias toward any party publicly.
- (5) Most importantly, during the past four years, even when the Chen Shui-bian Administration undertook a series of provocative actions directly or indirectly relating to Chinese sovereignty and the Bush Administration agreed to the largest arms sales package for Taiwan in recent memory, the Chinese government responded with very moderate criticism rather than adopting a more radical response, such as military exercises.

Despite these positive changes, Taiwanese and Americans continue to react strongly to such negative actions as China’s military buildup on its southeast coast; China’s hostile attitude toward Taiwan’s pursuit of an international role, especially participation in WHO; different formulas used by China in selling its “one China” principle; and China’s inflexible reaction toward Chen Shui-bian’s goodwill gestures such as his “theory of integration.” With regard to these feelings, the growth of Taiwan’s pro-independence forces can be ascribed in part to China’s Taiwan policy.

But Taiwan’s democratic development and Chinese policy are not the main catalysts behind the rise of the pro-independence forces. There are two more substantial factors. First, the development of Taiwanese localization pushed by the pro-independence political forces led by Lee Teng-hui and Chen Shui-bian since the early 1990s; and second, increased support from the United States since the end of Cold War.

¹⁵ The Office for Taiwan Affairs and the Taiwan Affairs Office of the State Council, Statement on current cross-Strait relations, May 17, 2004.

¹⁶ The Taiwan Affairs Office of the State Council of the PRC, “Actively and Realistically Promote ‘Three Direct Links’ Across the Taiwan Straits by Reliance on the People and in the Interests of the People,” Xinhua News Agency, December 17, 2003.

¹⁷ John Pomfret, “China Suggests Missile Buildup Linked to Arms Sales to Taiwan,” *Washington Post*, December 10, 2002.

¹⁸ Michael Swaine, “Reverse Course? The Fragile Turnaround in U.S.-China Relations,” Policy Brief, Carnegie Endowment for International Peace, 22 February 2003.

Lee and Chen have played key roles in leading the Taiwanese people toward the irreversible pursuit of independence. Boasting that they are the “father” and “son” of Taiwan, they are both idealistic revolutionaries who possess a strong sense of mission and willingness to change the status quo.¹⁹ During more than 10 years of political control of Taiwan, they successfully took advantage of three factors to move Taiwan toward their goal of it becoming an “independent, complete and normal country.” The first factor is the growing Taiwanese pursuit of a national identity following their great economic miracle. The second factor is China’s relative lack of attention to the problem. In the past 20 years, preoccupied with economic development and integration with the international community, Mainland China actually listed Taiwan as the third priority in its grand strategy. Fewer resources were put into developing military and diplomatic strategies, providing a “strategic opportunity” for Lee and Chen to pursue gradual independence free of the fear of containment efforts by China. The third factor is the various forms of American support for Taiwan, which will be discussed below.

Seizing the opportunity, Lee and Chen implemented a step by step de-sinification strategy. In the past several years, new theories such as the “two states theory” and “one country on each side of the Strait” have emerged, and numerous new initiatives such as issuing ‘Taiwan’ passports, “rectification” of Taiwan’s name, a textbook amendment, promotion of Minnan (Taiwanese) language, the referendum and other constitutional revision efforts have been undertaken. They are means to approach Taiwan independence or promote a policy-oriented “Taiwan identity” which could be de-facto independence. During the 2004 election, Lee and Chen consolidated forces to form a “united front,” made “love Taiwan” and “protect Taiwan” into election slogans, and deliberately divided Taiwan society. Following Chen’s election victory, many pro-independence figures were selected to serve in the new cabinet, which became completely “green.” This arrangement lessens the possibility of negotiations taking place across the Taiwan Strait.

Another important factor is American support for Taiwan. Without question, the pro-independence forces in Taiwan would not be as strong without the substantial support they receive from the United States. Taiwan is an important component of the American national security strategy, of which freedom of economy, promotion of democracy, and defense of U.S. national security are the three main pillars. The democratization of Taiwan is appreciated in the U.S., especially when most ASEAN countries, after the 1997 financial crisis, came to doubt the effectiveness of western democracy in Asian culture. The Taiwan economy also can play a very important role in the emerging American strategy of bilateral free trade agreements. However, the most important reason for American support for Taiwan, which the American side is reluctant to acknowledge, is the fact that Taiwan can play a very crucial role against a rising China. Consider the triangular relationship between the U.S., China, and Taiwan in the past 50 years. The Korean War caused President Truman to reverse his earlier decision and strengthen U.S.-Taiwan military ties; during the Cold War when America needed China as a hedge against the Soviet Union, Taiwan was once again abandoned diplomatically by the U.S.; after the Cold War, when China became the only powerful Communist country and began its rapid economic and political rise, which some in the U.S. saw as a potential threat, there was a gradual upgrade in U.S.-Taiwan security ties. China certainly believes that in the triangular interaction, Taiwan is not a player but a card used by the U.S. to appease or oppose China.

¹⁹ This is especially evident in Lee and Chen’s books.

From the Chinese perspective, after the Cold War, American policy toward Taiwan has gradually developed several new features:

- The “hollowing out” of the “one China” policy. Today, even though the American government repeatedly affirms its “one China policy,” it has changed in subtle ways. When asked what is the meaning of “*our one China policy*,” a term used repeatedly by senior U.S. officials, James Kelly, the Assistant Secretary of State for East Asian and Pacific affairs, explained that, first, “*our*” means neither China’s nor Taiwan’s but America’s own definition; secondly, a “*policy*” is different from a “*principle*,” which is much less flexible.²⁰ This explanation is not new, but in the months before and after the 2004 Taiwan presidential election, almost all mid-level U.S. officials intentionally stressed it to make a substantial distinction from China’s understanding of “one China.” The tacit agreement on “one China” between China and the U.S. for the past thirty years is now being questioned. Today, conservative organizations like the Heritage Foundation and the U.S.-China Economic and Security Review Commission in Congress are pushing the government to rethink its “one China” policy, reflecting a political phenomenon inside the Washington beltway questioning the existing “one China” policy.²¹
- Increased U.S.-Taiwan military communications. Besides the upgrade of arms sales to Taiwan and cooperative work on software development, which are widely known, more impressive developments include: (1) the arms sales package, which enjoyed widespread support in the media and the U.S. Congress; and (2) the “Six Assurances” proposed by President Reagan in 1982 have been openly and unscrupulously made into an important element of U.S. policy. According to Peter Brookes, former Deputy Assistant Secretary of Defense, “this is perhaps the largest change from the policy of the previous Administration.”²² This change implies that the August 17 Communiqué is meaningless.
- Depoliticized U.S. military sales to Taiwan. As Dr. Dennis van Vranken Hickey concluded, “U.S.-Taiwan relations have never been stronger in the security realm (in both hardware and software).”²³ Also, according to Peter Brookes, in the past several years, the U.S., “has established a ‘normal, routine consideration’ process for Taipei’s requests for defense articles and services. Taiwan is now treated the same as any other foreign military sales customer in terms of process. Taiwan is no longer restricted to annual arms sales talks and can apply for arms sales from the United States whenever desired. This policy change depoliticizes the process significantly and removes the gamesmanship that previously characterized the annual Taiwan arms sales process. This will hopefully lead to a more rational, sufficient arms sales relationship and ultimately improve Taiwan’s defense and security.”²⁴

²⁰ James Kelly, Testimony at Committee on International Relations on the Taiwan Relations Act, April 21, 2004.

²¹ “Rethinking ‘One China,’” conference held at the Heritage Foundation, February 26, 2004.

²² Peter Brookes, “U.S.-Taiwan Defense Relations in the Bush Administration,” Heritage Lectures, No. 808, November 14, 2003.

²³ Dennis van Vranken Hickey, “The Bush Administration and Taiwan,” testimony submitted for a public hearing held by the U.S.-China Economic and Security Review Commission, February 6, 2004.

²⁴ Peter Brookes, “U.S.-Taiwan Defense Relations in the Bush Administration,” Heritage Lectures, No. 808, November 14, 2003.

- Increased high-level U.S.-Taiwan exchanges. The previous considerations of “safety, comfort and convenience” governing the transit of senior Taiwanese travelers through the United States had been supplemented with one more criterion: “dignity.” Several breakthroughs occurred:
 - 1) Taiwan’s top leaders (Chen Shui-bian and Annette Lu) transited through New York. Furthermore, through meeting the press, members of Congress, and the mayor of New York, both Chen and Lu transformed simple “transit diplomacy” (过境外交) into the more substantial so-called “diplomacy inside America” (境内外交).
 - 2) For the first time in fifty years, the Taiwan first lady (Wu Shu-chen) paid a visit to the American capital, creating a precedent for “first lady diplomacy” (夫人外交).
 - 3) Likewise, legislative president Wang Jin-pyng’s recent visit to Washington upgraded the level of Taiwan “Congressional diplomacy” (议会外交).
 - 4) Also, there have been fewer misgivings for Taiwan senior officials (non-economic and cultural ministers) to visit the U.S. and engage in almost every manner of important and sensitive dialogue. The Minister of Defense, Director of the Mainland Affairs Office, the Secretary-General of the National Security Council, and the Secretary-General of the Presidential Office have all been permitted to visit the U.S. and meet with senior government officials. In sharp contrast to the stalled U.S.-China mil-to mil communications, there are frequent and in-depth contacts between senior Taiwan and American defense officials.

These U.S. policy changes toward Taiwan undoubtedly convey the strong message to the Taiwan leadership that for its own strategic needs, the U.S. will help Taiwan whenever necessary. In recent years, the Pentagon has been feeding this fire, assuring Taiwan that the United States will support it against China. Congress is also pushing for further upgrades in U.S.-Taiwan security communications. Thus, U.S. policy toward Taiwan is both ambiguous and contradictory.

These contradictions were displayed clearly during the 2004 Taiwan presidential election. Therese Shaheen, then chairwoman of the American Institute in Taiwan, told Chen in October 2003 that President Bush was Taiwan’s “secret guardian angel.”²⁵ Subsequently, on December 9, after his meeting with Chinese Premier Wen Jiabao, Bush warned Chen Shui-bian that he opposed actions that would change the status quo. Shaheen’s statement perhaps gave the Taiwan authorities the idea that what President Bush had said to Premier Wen were vague promises meant only to appease him.

Chen therefore was left with room to maneuver. He simply changed his rhetoric and the referendum was held. For Chen, the referendum itself was more important than the content, because the creation of a referendum mechanism was a new step toward gradual independence; it also created a topic that could be used to win the election. Later, in testimony to the U.S.-China Economic and Security Review Commission, U.S. Deputy Assistant Secretary of State Randall

²⁵ Willy Wo-lap Lam, “China blunt on U.S.- Taiwan Stance,” *CNN.com*, November 15, 2003.

Schrivver stated, “you’ll notice we have not said we *oppose* [referendum].”²⁶ Moreover, Deputy Assistant Secretary of Defense Richard Lawless told the commission that the U.S. government is serious about what it sees as a legal obligation to assist Taiwan in maintaining its own self-defense.²⁷ Both officials expressed the belief that although Washington has no formal defense treaty with Taipei, the United States is likely to be “involved” in any cross-Strait conflict between Taiwan and China. Hearing such remarks, the Chen Administration could conclude that statements from President Bush to the contrary could be disregarded and that some specific U.S. concerns could be satisfied by simple changes in rhetoric.

Chen Shui-bian’s foreign policy advisers believe that the Bush Administration is the most “pro-Taiwan” administration since de-recognition in 1979. Even if the President makes remarks which are not favorable to Taiwan, the mid-level officials who are actually in charge of Taiwan affairs will not necessarily follow what he said, as in the above-mentioned testimonies from Randall Schriver and Richard Lawless. And, even if the White House and Department of State exert pressure on Taiwan, Congress and the Defense Department will use their leverage to balance the situation.

This judgment was soon verified. In late February, a U.S. military delegation visited Taiwan to discuss the details of joint exercises the two countries are to hold in two years.²⁸ On March 31, just ten days after the Taiwan election and before the formal vote recount, the Pentagon announced that U.S. will sell Taiwan two long-range early-warning radars and associated equipment totaling nearly \$1.8 billion.²⁹ The negotiations between Taiwanese and American senior officials over the price of the arms package were extremely overt, a major change in the U.S.-Taiwan security relationship. Deputy Defense Secretary Paul Wolfowitz’s statement that the sale was in line with Washington’s policy of maintaining good cross-Strait relations further emboldened Taiwan’s independence activists.³⁰

It is therefore no surprise that Bush’s strong warning did little to deter Chen from holding a defensive referendum and continuing his plans for constitutional revision, both of which are viewed by China as steps in a gradual march toward independence. Although it might seem that a public rebuke from the White House would hurt Chen, he actually used it to rally pro-independence supporters, announcing that no country could prevent Taiwan from holding referenda and showing that he is willing to stand up for Taiwan, not only to China but also to the United States.³¹

Dangerous Misperceptions

History indicates that war and military conflict are more often the result of misperceptions than of subjective designs. As Richard Bush has written, if there will be military conflict across the

²⁶ Randall Schriver, Testimony at Commission on U.S.-China Economic and Security Review, February 6, 2004.

²⁷ Richard Lawless, Testimony at Commission on U.S.-China Economic and Security Review, February 6, 2004.

²⁸ Brian Hsu, “U.S., Taiwan Teams Discuss War Games,” *Taipei Times*, March 1, 2004.

²⁹ Bradley Graham, “Pentagon Announces Plans to Sell Radars to Taiwan,” *Washington Post*, April 1, 2004.

³⁰ “Planned U.S. Radar Sale to Taiwan within Policy Framework: Wolfowitz,” Agence France Press, April 3, 2004.

³¹ Hsin-Hsin Yang, “No Turning Back for Taiwan President in Referendum Row: Analysts,” Agence France Press, December 14, 2003.

Taiwan Strait, misperception and miscalculation will be the most likely causes.³² Currently, various misperceptions exist between the U.S., China, and Taiwan, making the Taiwan Strait more dangerous than ever.

Taiwan holds three misperceptions of the United States and China. The first is the Chen Administration's apparent belief that the U.S. commitment to back Taiwan militarily is a "blank check." The logic behind this belief is that: (a) a democratic America will not tolerate an attack on a democratic Taiwan by the "Chinese dictatorship," especially in this sensitive period when Bush is engaging in his great task of democratic transformation of the Middle East; (b) America will lose face with its allies if it fails to respond to a Chinese military attack; (c) a supportive U.S. Congress and a pro-Taiwan Defense Department will not sit by and watch the Chinese use force; (d) the commitment required under the Taiwan Relations Act; (e) President Bush's promise, repeated by senior Defense Department officials such as Deputy Secretary Wolfowitz, that the U.S. will do "whatever it takes to help Taiwan defend herself,"³³ and (f) military deterrence against China is in America's long term geopolitical and strategic interests. Given all these assumptions, Chen Shui-bian believes that the U.S. would back Taipei in a conflict, regardless of its origins.

Taiwan's second misperception is that China's threat to use force is a bluff. There is also some logic behind this assumption: (a) the Mainland's limited military airlift and sealift capabilities are far from sufficient to occupy Taiwan; (b) China has often threatened Taiwan and not acted; (c) China has a strong incentive to avoid any confrontation that might adversely affect preparations for the 2008 Olympics in Beijing; (d) China is facing numerous domestic difficulties, and an attack on Taiwan may lead to internal disturbances and possibly regime collapse; and (e) the Chinese economy can not afford international sanctions due to a war with Taiwan.³⁴

The third, and most dangerous, misperception is that, in Chen's mind, Taiwan's "independence and sovereignty" is the status quo which enjoys the tacit consent of most of countries in the world, allowing him to pursue de jure independence without changing the so-called "status quo." In a post-election interview with the *Washington Post* he boasted, "I think we have reached an internal consensus that insists on Taiwan being an independent, sovereign country. I think *only Beijing* cannot accept the fact that the Republic of China, or Taiwan, is an independent country,"³⁵ implying that all the other big powers can accept the fact [emphasis added].

Except perhaps for the first, these assumptions are completely incorrect. The belief that China will not engage in a war with Taiwan includes two miscalculations. First, it neglects the very important fact that the Chinese will to safeguard its territorial integrity, rather than calculations of military capability, will be the primary force behind a decision to use force. A strong nationalism is emerging in China which is very sensitive to two issues: Japanese remilitarization

³² Richard Bush, Hearing on The Taiwan Relations Act, House International Relations Committee, April 21, 2004.

³³ Leon Hadar, "From 'one China' policy to many China policies," *The Business Times Singapore*, May 5, 2004.

³⁴ This logic has been expressed repeatedly by Taiwan leaders on different occasions. In a recent public presentation in Washington DC, for example, Lin Wen-cheng, senior adviser for the National Security Council in Taiwan, stressed that China will not wage war against Taiwan because of China's focus on economic development and its relative military incapability. "The Taiwan Presidential Elections: Political, Economic, & Security Implications," co-hosted by the Brookings Institution, CSIS and U.S.-Taiwan Business Council, May 6, 2004.

³⁵ "Interview with Taiwan's President Chen Shui-bian," *Washington Post*, March 29, 2004.

and Taiwan independence. Chinese hardliners on the Taiwan issue have a long list of grievances and it is obvious that their voices are growing louder, limiting the Chinese government's ability to use moderation and flexibility. Second, the Chinese leadership believes that the stability of the government depends on its ability to resist national dismemberment, and they would rather fight and lose a war with the United States than accept such an outcome. The permanent "loss" of Taiwan would be viewed as a national humiliation and a clear confirmation of the fundamental weakness, incompetence, and illegitimacy of the government. It is widely accepted in Chinese military circles that Taiwan independence will never be achieved peacefully, but only at the cost of military conflict.

The misperception that most countries tacitly concede that Taiwan is an independent country is wishful thinking. Even the United States, the most pro-Taiwan country in the world, has not openly expressed this stance. Russia adheres to a "four no's" policy toward Taiwan³⁶ and France currently enjoys a sound relationship with Mainland China. In the United Nations, more than 160 countries still support the "one China policy."

It does not appear that Chen Shui-bian has a clear understanding of international or Chinese domestic politics. Or, he may understand the facts but intentionally ignores them because of his own political needs. Combining the above-mentioned three misperceptions with a possible miscalculation that he is no longer a minority president and will have more freedom to act, it is possible that in the next four years, "Chen may be tempted to push forward policies that the U.S. government has discouraged."³⁷ All these misperceptions could well lead him to take even bolder actions that could precipitate war.

In addition to Taiwan's false assumptions, both the U.S. and China have some misconceptions about the situation in Taiwan. For Americans, "democratization" defines Taiwan's experiences since Lee Teng-hui came to power, and the U.S. attitude toward Taiwan is akin to an indulgent parent pampering a child despite bad behavior. More dangerously, as Jeffrey Bader has noted, the American illusion of Taiwan democracy produces strong diplomatic support for Taiwan's elected leader and his policies, "regardless of the perils to peace and security those policies might entail."³⁸ From a Chinese perspective, however, the key word is "gradual independence," and in Beijing "Taiwan identity" is identical to "Taiwan independence."

Americans also believe that with a stronger military, or under the umbrella of a U.S.-led missile defense system,³⁹ Taiwan might feel more confident and be more willing to negotiate with the Mainland. To the Chinese, however, arms sales will undoubtedly embolden Taiwan pro-independence forces and make them more reluctant to resume the dialogue because they feel strong backing from Washington.

Finally, in Chinese academic and military circles, especially since the Taiwan presidential election, there are a number of misperceptions toward Taiwan, including: (a) more intensive cross-Strait economic ties have proven to not necessarily lead to political integration, so the

³⁶ The four no's are: no support for Taiwan independence, no support for "one China, one Taiwan," no support for Taiwanese accession to international organizations that require statehood for membership, and no arms sales to Taiwan.

³⁷ Shelley Rigger, "In Limbo in Taipei," CSIS *Freeman Report*, March 2004.

³⁸ Jeffrey Bader, "Path to Peace in the Taiwan Strait is Well-Tread," Center for American Progress, May 20, 2004.

³⁹ "Asia's III-Advised Umbrella," Editorial, *New York Times*, April 16, 2004.

“three links” policy should be seriously rethought. This stance is reflected in the current Chinese initiative to not allow pro-independence Taiwan businessman to invest in the Mainland; (b) given their recent performance, the people of Taiwan and the current opposition parties cannot be relied on to deter pro-independence forces, so China should rely only on itself to curb gradual independence; (c) the main reason for the rejection of the “one country, two systems” formula by the Taiwanese people is not because of its ineffectiveness but because of “demonization” of the policy by the Chen Shui-bian Administration; and (d) the deployment of missiles on China’s southeast coast has played a key role in deterring pro-independence forces; otherwise they would be even more aggressive.

In addition to these misunderstandings of the situation on Taiwan, there are mutual misperceptions between China and the United States. The U.S. might feel that, given the fact that Chen was reelected and will continue to dominate Taiwan politics for another four years, and that he made concessions on the referendum and inaugural speech, China should face reality and modify its original inflexible policy toward Taiwan.⁴⁰ China maintains that its relatively soft attitude toward Taiwan in the past several years has not achieved the desired effect, and that even more flexibility would be useless. Military means will be put forward as a real policy choice. This misperception was clearly indicated by the different responses from Beijing and Washington to Chen’s inaugural speech. While the Chinese government gave a very muted response, the majority of American officials and scholars responded very positively.

Even more dangerously, China could miscalculate the military environment, believing it has a rare opportunity to solve the issue militarily while the United States is distracted by Iraq and North Korea and would not help defend Taiwan. Under this scenario, China could also calculate that it should move before the theater missile defense system is in place. The Americans could mistakenly calculate that U.S.-China official relations and U.S.-Taiwan relations can continue to be developed simultaneously through the dual-track policies of politically adhering to “one China policy” and militarily supporting Taiwan. In this way, the U.S. could seek to maintain the “status quo,” favoring its own national interest, at very low cost.

The situation also suffers from conflicting understandings of the issue of Taiwan’s constitutional revision. It is likely that the U.S. will deal with constitutional revision and referendum in the same way it dealt with the 2004 referendum, not opposing the amendment per se but not supporting any changes relating to independence or sovereignty. According to the American calculation, constitutional revision per se is not a provocative action toward China. From the Chinese perspective however, amendment of the constitution will give the current Taiwan a de jure status by severing legal or procedural continuity with Taiwan’s existing political system; it would negate the foundation of Taiwan’s sovereignty, which, according to the existing constitution, resides with the people of “China.” Redefining the source of state legitimacy as belonging to the citizens of Taiwan alone would almost certainly persuade a large number of Taiwanese that “one China” no longer exists and that Taiwan is a separate sovereign state.

⁴⁰ Ralph Cossa, “A Wise China Would Offer an Olive Branch,” *Japan Times*, March 17, 2004; also by Ralph Cossa, “Map for a Cross-Strait Breakthrough,” *Taipei Times*, May 26, 2004.

Finally, the U.S. tends to take at face value what Chen said in his inaugural speech, while China has concluded that he is not trustworthy. If Chen does do what he promised in his inaugural speech (constitutional revision according to the procedures mandated by the present constitution and avoidance of sovereignty issues) over the next two years, China may not object but will closely examine the wording of the revisions. Although Taiwan has revised its constitution six times in the past, this round will be a watershed. Chen has ambitiously boasted that the 2006 revision and 2008 enactment will be the legacy of his presidency, and because the revision issue has become the most important issue in the cross-Strait relationship, even subtle changes not directly related to sovereignty can be perceived by China as a serious challenge.

These interrelated misperceptions have created a very dangerous situation between the three parties in which agreements are difficult and small issues could lead to disaster.

China's New Taiwan Policy?

By no means has China decided to use military means to deal with Taiwan. By the end of this year, China will adopt a dual policy of observation and adjustment, focusing on several points:

- The fate of the pan-Blue team (the KMT and PFP). Will they split or remain united? It seems that the two parties are more likely to split than remain together and form a strong challenge to the pan-Green side. Although the KMT and PFP have been discussing a merger, there are serious disputes on who would be the leader. Also, having indulged in recriminations over the presidential election, the pan-Blue forces are obviously less prepared for the December legislative elections than the pan-Greens, which have been focused on them for months.
- The policy orientation of the DPP and Chen Shui-bian. In his second and final term as president, will Chen be more provocative or will he return to the “new middle road” that he announced during his first term? The May 20 inauguration speech was a very important indicator. Even if Chen did express some flexibility and goodwill, his basic policy orientation has not changed. As mentioned above, for the majority of Taiwan experts in China, Chen’s speech indicated a change in tone rather than a change in spirit. Chen could send a clearer signal by taking concrete actions to complement his rhetorical goodwill. China will be able to trust Chen only if he accepts the “one China” concept and positively supports, “the three links.”
- The December elections in the Legislative Yuan. If the pan-Green team gains a majority in the legislature, Taiwan’s political environment will change significantly, strengthening Chen’s ability to amend the constitution and pursue independence during his second term.

Although it is possible that the above-mentioned events will evolve in the direction that China expects, it is more likely that China’s expectations will not be met. Preparing for the worst case scenario – failure of the Taiwanese people to stem the tide of independence, continued American support, and the inability of China’s own moderate policy to deter Taiwan independence – the essence of China’s “new Taiwan policy” will be self-reliance and giving up on the illusion of peaceful resolution. Several new trends have emerged in the development of this policy.

First, the goal of China's Taiwan policy has been reassessed. It is highly possible that prevention of Taiwan independence will replace reunification as China's highest priority in the near future. On the one hand, past experience indicates that it will be difficult to achieve reunification in the short run. Recent events in Hong Kong demonstrate to Beijing that maintaining the status quo is less troublesome than reunification before all issues have been resolved. On the other hand, now that China has made prevention of Taiwan independence the priority, it will mobilize every resource necessary to achieve that goal. For example, the so-called "China Reunification Law," conceptualized by Chinese scholars several years ago, has for the first time been seriously discussed by the National People's Congress. Although it is not yet known whether the idea will be passed into law, the debate has implied that China will safeguard its sovereignty via legal means, which will enable China to dispatch troops with just cause. China has also readjusted its strategic thinking. In the latest regular study meeting conducted by the Politburo, two generals presented their idea that "daring to use force is the best guarantee of peace." This suggests that the fourth generation of Chinese leadership pays more attention to political will to defend national sovereignty and territorial integrity.

Second, China is significantly strengthening its military capacity in order to deter Taiwan independence and American involvement in a conflict. Too preoccupied with its economic development and integration with the international community, China has somewhat neglected military modernization over the past twenty years. According to more and more Chinese scholars, this is one reason why Taiwan pro-independence forces have developed so quickly. Hardliners who favor a military solution are gradually attracting a large number of followers through various media outlets. More significantly, Chinese military, official, and academic circles have come to understand the need to expedite military development aimed at countering Taiwan independence forces. In this regard, more Chinese scholars are attempting to create a coherent logic between the use of force to resolve the Taiwan issue and the emerging theory of "China's peaceful rise."

Third, China has strengthened its relationship with the United States. One of the biggest changes in China's Taiwan policy is that China has enlisted American help in deterring Taiwan independence, as illustrated by Premier Wen Jiabao's Washington visit at the end of 2003. Although one may expect America to decide Chinese reunification is against its own national interests, it is still possible for China to ask America to help prevent Taiwan from independence. In the present and near future, maintaining the status quo in the Taiwan Strait is in the interest of both China and the United States. China rejects international interference in its internal affairs, including the Taiwan issue, but this does not mean that China will not allow the U.S. to play a positive stabilizing role. In an era of cooperation between the U.S. and China on security issues such as North Korea and counter-terrorism, it is reasonable for China to expect American support on the Taiwan issue, as the Chinese leadership expressed repeatedly in meetings with National Security Advisor Condoleezza Rice in early July and in a phone call between Hu Jintao and President Bush later that month.

Finally, China has adopted a "carrot and stick" approach towards Taiwan. In this regard, the Taiwan Affairs Office's May 17 Statement laid out in general terms how China should deal with Taiwan. On the one hand, it sent a very strong message to Taiwan that China will safeguard its

sovereignty and national integrity at any cost if Chen dares to pursue independence. Here, “independence” means constitutional amendments which relate to national territory, the national flag, and other such issues. This definition has become conventional wisdom for both Chinese government officials and scholars because such changes will signal that Taiwan has progressed from a de facto to a de jure country. On the other hand, however, China has listed many benefits for Taiwan if it accepts the “one China,” concept, including the qualification that the Mainland and Taiwan are equal entities. Those benefits include, among others, more international leeway, and the implementation of cross-Strait confidence-building measures. With regard to WHO, for example, China will by no means deny the possibility of Taiwan membership but adhere to the basic rule that it can only occur through cross-Strait dialogue rather than unilaterally pursued by Taiwan. The Taiwanese people may argue that this new definition of “one China” does not acknowledge that the PRC and ROC are somehow equal, but by the change in rhetoric which has been endorsed repeatedly in official documents, China wants to demonstrate that it will respect the Taiwanese people’s will.

Does the United States Have Leverage Over Taiwan?

The pro-independence trend in Taiwan has changed the status quo in cross-Strait relations. The misperceptions of the three relevant parties and the basic direction of China’s changing Taiwan policy mean that military conflict in the Strait is by no means impossible. As the U.S. has a special relationship with Taiwan, and China is now expecting the U.S. to play a more active role, the United States’ Taiwan policy is extremely important.

Ironically, however, when asked by China to do something regarding Taiwan, the United States always argues it has little ability to influence Taiwan’s domestic politics, especially as Taiwan has grown more democratic, just like the Chinese complain that they have limited leverage on North Korea.

In fact, the United States is the critical variable. If Washington removes itself from the equation, then the odds shift greatly in Beijing’s favor. This explains the continuous efforts of both the PRC and ROC to court Washington’s support and to undermine each other’s case to American audiences.

From the Chinese perspective, the problem is not whether the United States has the leverage, but if it has the political will to use it. American leverage over Taiwan includes:

- The impact of public and private political statements. History indicates that statements by senior American officials do influence Taiwan politics. Examples include President Clinton’s “three no’s,” President Bush’s “do whatever it takes to help Taiwan defend herself,” and his recent message about “opposing the Taiwan referendum.” The “three no’s” statement stimulated Lee Teng-hui to put forward the “two states theory,” while Bush’s statements on the referendum led Taiwan to revise it. Sometimes such statements do not generate the intended effect, but they influence the situation nonetheless. The problem is that inconsistent or incomplete statements produce diluted results. American statements will undoubtedly play a crucial role in deciding the direction and limits of Taiwan’s constitutional amendment. Hopefully

those statements will call on Chen to avoid questions of independence and sovereignty.

- The American security commitment and U.S. arms sales. This is the most important form of leverage that America has over Taiwan. In an obvious cause-and-effect relationship, pro-independence forces in Taiwan have become more powerful as the American security commitment has been strengthened and arms sales increased. The arms sales per se are not very important, but the political signals they send do matter to the Taiwanese. (For this reason, the Taiwan government is willing to buy outdated American arms at very high cost.) Also, whether Taiwan has a “blank check” or only conditional support is an important distinction. A bill proposed in Washington in 1979 to consider an attack on Taiwan as a direct threat to U.S. security interests was defeated by the Senate, indicating that there is no legal basis for unconditional and unlimited U.S. support. Nevertheless, in April 2001 President Bush gave a strong commitment, as he thought that it was in the U.S. interest, to clarify to China America’s intentions.
- The U.S. can play a mediating role. In his interview with *The Asian Wall Street Journal*, Chen Shui-bian said that he hoped the U.S. could play an “active, constructive” role as mediator and serve as “a peace bridge, helping facilitate cross-Strait contact, dialogue and consultation. It could be a peace angle.”⁴¹ Again, the Mainland side has never denied the U.S. can play positive role in fostering cross-Strait dialogue.

An important consideration when it comes to U.S. leverage is whether the U.S. President, in seeking to exercise it, has domestic political support, and whether he has it on a long-term basis. A president who sought to exercise tough leverage without being certain of political support would expose himself to attack. The problem is that no president can ever be sure that Congress won’t oppose his actions, no matter which party is in control in either branch of government. In other words, in calculating Washington’s relative leverage over Taiwan, the domestic political dynamic must be considered as well as an assessment of the means of interaction between Washington and Taipei.⁴²

The Taiwan Issue and the Second Normalization of Sino-U.S. Relations

If we describe the period from 1972 to 2000 as the first normalization of Sino-U.S. relations, then 2000-2001 marks the beginning of its second normalization period.

The impetus for the first normalization of Sino-U.S. relations was the mutual need to counter the Soviet Union; it was realized however, only when the U.S. broke relations with Taipei, withdrew its troops from the island and abrogated the mutual defense treaty, and by signing the three Communiqués. Today, cooperation on counter-terrorism and the North Korean nuclear crisis has provided a basis for the bilateral relationship to enter a new historical stage. And a more mature attitude toward such issues as economic disputes, human rights, and non-proliferation signals

⁴¹ “Interview with Chen Shui-bian,” *The Asian Wall Street Journal*, April 2, 2004.

⁴² I am indebted to Richard Bush for helping to develop and discuss this idea with me.

that the second normalization in the bilateral relationship can develop. However, the Taiwan issue will dictate the future of Sino-U.S. relations, including continued cooperation on counter-terrorism and the North Korean nuclear issue.

As Alan Romberg has written, the first normalization “did not resolve the underlying Taiwan-related issue. Instead, it was based on an approach sufficiently ambiguous so that each side could justifiably argue that its own requirements had been met...In the course of [the first] normalization, neither side endorsed the legitimacy of the other side’s claim, though each at least tacitly agreed to respect it.”⁴³

Those ambiguities played an important role in improving U.S.-China relations after normalization thirty years ago. But with the development of bilateral relationships and the dynamic changes in U.S.-China-Taiwan relations, the existing ambiguous policy has gradually become unsuitable. The Taiwan presidential election and its aftermath show that without a new understanding between China and the United States on several key issues, another dangerous crisis in the Taiwan Strait is more likely to emerge. The time has come for the U.S. to establish greater harmony between its Taiwan policy and its expanded strategic stance toward Beijing, as it did 30 years ago.

It is clear that it will be extremely difficult to resume a cross-Strait dialogue in the near future. Therefore, since neither side wants a military confrontation over Taiwan, Beijing finds itself in the peculiar position of relying on the U.S. to stop Taiwan from being provocative.

Can the U.S. and China quickly achieve another Communiqué (a Fourth Communiqué, as proposed by David Shambaugh and some other scholars) or new interim agreements (as proposed by David Lampton and Kenneth Lieberthal) on Taiwan? The answer may be no, but both sides should face the new realities in their efforts to reach some new understandings. In this regard, five key issues should be addressed.

First, the “one China policy” should be clarified and redefined. In recent years, the “one China policy” has faced serious challenges, and some conservative think tanks, such as the Heritage Foundation, are even pressing the U.S. government to abolish it (although they use the term “rethink”). On the other hand, the U.S. government, while stressing that there is no change in its “one China policy,” has emphasized its distinctive nature in a way different from the definitions of either the Mainland or Taiwan. Intentionally emphasizing differences rather than maintaining the previous tacit agreement that both sides should focus on the concept, not the content, of “one China,” the U.S. risks sending Taiwan the wrong signals and threatening the very basis of Sino-U.S. relations. Thus, to clarify its official “one China policy” is an urgent task for the American government in order to avoid a Taiwan Strait crisis. In this regard, China’s new definition that “both the Mainland and Taiwan belong to China” provides a useful reference. It is in the common interest of the three relevant parties. The related question of *how* Taiwan belongs to China is not an urgent problem for the three parties to deal with. China and the U.S. should seriously discuss the new concept of “one China,” and explore new agreements. If that occurs,

⁴³ Alan D. Romberg, *Rein In at the Brink of the Precipice: American Policy Toward Taiwan and U.S.-PRC Relations*, The Henry Stimson Center, 2003, pp.105, 106.

the trend toward Taiwan independence can be effectively contained. The Sino-U.S. relationship can then be more stable, which in turn will provide even better conditions for resolving the cross-Strait impasse.

Second, the two sides should clarify the concept of the “status quo,” which is currently even more unclear than the “one China policy.” Originally, both Taiwan and the United States shared the same definition of the “status quo”: peace and stability. Currently, however, the Taiwan leadership is more likely to say publicly, in different international situations, that the “status quo” is that “Taiwan is an independent, sovereign country.” This new definition is the root of the potential conflict. Therefore, the U.S. and China should reach an understanding that rejects the provocative notion that “Taiwan is an independent, sovereign country.”

Third, China and the U.S. should try to achieve new agreements over U.S. arms sales to Taiwan. In December 2002, Jiang Zemin raised the possibility of redeploying PRC missiles away from coastal areas facing Taiwan if the U.S. were to curtail arms sales. He received no response from President Bush. American scholars argued that Jiang’s proposal was unbalanced, since missiles could easily be moved back toward the coast, while an interrupted arms supply relationship would take considerable time to restore.⁴⁴ Furthermore, “mobile missiles constitute only one of several possible threats to Taiwan and can be easily repositioned, whereas U.S. arms sales constitute Taiwan’s most important military acquisitions and require long-term planning and implementation.”⁴⁵ However, the offer suggested for the first time that Beijing might be willing to engage in a dialogue on reversing the militarization of cross-Strait relations. Both sides should think seriously about the linkage between the U.S. arms sales to Taiwan and the Chinese missile deployment. In this regard, the American government and its top leader should have the courage and wisdom to gain Congressional support for slowing the arms race.

Fourth, each side should rethink its national interests in the Taiwan Strait. The United States should question the very core of U.S. policy toward Taiwan and China, from the value of a democratic Taiwan to the strategic necessity of a cooperative China. America should consider two basic questions: (1) which is more important to the U.S.’ interest, the struggling democracy in Taiwan or stability in the Taiwan Strait? (2) which is more important, preventing China, through support for Taiwan pro-independence forces, from challenging American interests in the Asia-Pacific region, or maintaining a stable and constructive relationship with China through the joint prevention of Taiwan independence? China should seriously consider the feasibility of the “one country, two systems” model being applied in Taiwan. All other constructive ideas, such as federation and confederation, should be discussed. If the U.S. makes the correct choice, China will be more likely to deal with Taiwan in a more flexible and constructive way.

Finally, the United States should consistently express its position of “opposing” rather than just “not supporting” Taiwan independence. What does “Taiwan independence” mean? That is if Taiwan becomes a de jure independent country through constitutional amendment, regardless of whether it changes its name to “Republic of Taiwan” or still keeps the name “Republic of

⁴⁴ Alan D. Romberg, *Rein In at the Brink of the Precipice: American Policy Toward Taiwan and U.S.-PRC Relations*, The Henry Stimson Center, 2003. p.215.

⁴⁵ Michael Swaine, “Reverse Course? The Fragile Turnaround in U.S.-China Relations,” Policy Brief, Carnegie Endowment for International Peace, 22 February 2003.

China.” The slight difference between “opposing” and “not supporting” is important. Not supporting Taiwan’s independence appears to send Taiwan the message that its independence will not be supported but can be accepted if the Taiwanese people make their own decision, which might result in Taiwan moving recklessly toward independence. On the other hand, “opposing” independence would send a very clear message that America will not provide unlimited military support, which will make the Taiwan government more cautious in any actions it takes. Of course, the Chinese definition of “independence” is a little broader, and the Taiwanese bid for observership in the WHO is also viewed as a step toward independence. Therefore, China will undoubtedly oppose the American support of Taiwan’s bid. However, if new agreements between China and the U.S. on “one China,” the “status quo,” and “opposing Taiwan independence” have been reached, the Taiwan bid for the WHO will not destabilize the cross-Strait relationship. In the “new framework,” China may even be willing to help Taiwan gain formal membership in WHO.

In asking the American side to act, China can do something in response. In fact, China has stressed again and again that the resolution of the Taiwan issue relates to Chinese sovereignty and national dignity, and has nothing to do with the exclusion of American interests from the Taiwan Strait and the Asia-Pacific region. On the contrary, the successful resolution of the Taiwan issue will rule out the most serious flashpoint for U.S.-China conflict in the long run, which is obviously in the interest of both countries. From China’s recently changing attitude toward the American military presence in the area, one can sense that China is more a “status quo” rising power rather than a “revisionist power.” If the U.S. and China can jointly manage the Taiwan issue and finally achieve a new agreement to help resolve it, then China will undoubtedly and full-heartedly help the U.S. deter global terrorism and deal with North Korea nuclear issue. More importantly, China and the U.S. will enjoy at least 50 years of peaceful coexistence. Sino-U.S. relations will enjoy a much brighter future, setting a historical precedent for the coexistence of rising powers and status quo superpowers.

The Taiwan issue relates directly to a more substantial problem: how does the United States, the world’s only superpower, view China’s emergence? And how will the U.S. live with China? The joint management of the Taiwan issue will be a touchstone for the future of the Sino-U.S. relationship.