

June 8, 2005
2005 Pacific Symposium
US National Defense University
Waikiki Beach Marriot Resort & Spa, Honolulu, Hawaii
Asian Pacific Democracies: Advancing Prosperity and Security
Panel I Democracy, National Security and Foreign Policy – Lessons from the
Philippines, Indonesia, and Taiwan

CHINA'S CROSS-STRAIT GO GAME
Taiwan Juggles Democracy and National Security
Revised June 16, 2005

Dr. Chong-Pin Lin

President, Foundation on International and Cross-strait Studies
Professor, Graduate Institute of International affairs and Strategic Studies, Tamkang University
Tel. 886-2-2396-8700; Fax 886-2-2391-7350; Email cplin@mail.fics.org.tw

Taiwan was once considered an unequivocal success-story in achieving speedy and smooth democratization that both Americans and Taiwanese prided themselves on. Now, the island is encountering multiple challenges, none more severe than those from across the Taiwan Strait. And, democracy to Taiwan's national security is both an asset and a liability.

Beijing is playing a go (*weiqi*) game with the U.S. and Taiwan. Neither seems mentally prepared. In chess, one is frequently alerted by the opponent on the incoming danger; in go, one may just suddenly find the game over and lost.

The following questions deserve our attention: ■ What are the assets and liabilities of Taiwan's democracy? ■ What strategic goals does Beijing have in mind? ■ What is Beijing's Taiwan policy? ■ What cross-strait reality must the U.S. deal with? ■ What recommendations may we explore?

TAIWAN'S DEMOCRACY

National Security Assets

Taiwan is a beacon for China's democratic future. That prospect may take decades to reach, if ever attainable. The end product if achieved would certainly differ from what we are used to. Nonetheless, to resist the global mega-trend of democratization will be increasingly difficult for Beijing as time goes on.

To transform China into a democracy is the basic assumption that underlies Washington's engagement option on China. The rationale is that, empirically speaking, mature democracies have fought few wars among themselves, though newly emerged democracies may be exceptions¹. A democratic China, after reaching maturity, is less likely to go to war with the U.S. In this regard, Taiwan can make a valuable contribution to the U.S. national interest by encouraging political reform in China through example of freedom and human rights. Under shared cultural tradition, if Taiwan can, why can't China?

An anecdote may illustrate this point. Li Fan², promoter of local elections in China, told me in the spring of 2002 that his great discovery while touring Taiwan was the translucent ballot box. He had been troubled by a technical problem in elections until then. The ballot box, if opaque, could not prevent cheating, and, if transparent, would not protect voters' anonymity. Upon his important discovery in Taiwan, he immediately phoned home to order hundreds of translucent boxes made.

That a democratic Taiwan holds a strategic chokepoint in the Western Pacific not only serves U.S. national interest but also contributes to regional security and stability. In recent years, for Beijing, seizing Taiwan is no longer a hot-blooded commitment but has become a cold-blooded calculus. Cross-strait unification to the People's Liberation Army has turned from a sacred mission to a strategic must. Beijing strategists have opined; without Taiwan, the PLA cannot access the great oceans, safeguard the Spratlys, prevent the re-emergence of Japanese militarism, or insure the protection of China's rich southeast coast from the attack of foreign powers.³ The list goes on.

As the new century unfolds, the strategic importance of a democratic Taiwan has not lessened at all. However, these days the island finds itself in compounded predicaments, politically, economically, and strategically.

National Security Liabilities

Politically, the democratic awareness of the Taiwanese has induced the rising pro-independence sentiments, which have put Taiwan in the risk of war with China, and pitted Taipei against Washington's "one China policy." Independence has become a convenient election tool to galvanize public support. Taiwan president Chen Shuibian was trailing some 25% in opinion polls behind the opposition presidential candidate Lien

¹ Edward D. Mansfield and Jack Snyder, "Democratic Transitions, Institutional Strength, and War" *International Organization*, Spring 2002 pp.297-338.

² Li Fan has authored several books on local elections in China including *Chuangxin yu fazhan* (Creativity and Development: Regulation Reforms on the Election of Heads of Villages and Counties) (Beijing: Dongfang Publisher, 2000)

³ PLA major general Liu Yazhou, Deputy Chief of Staff in the Air Force, expressed such views in Beijing's *Huanqiu Shibao* (Global Time) in January 2003. These views, however, have been under internal

Zhan in April 2003.⁴ After Chen resorted to the issue of holding a plebiscite for independence in the fall that year, by year's end he began to catch up in the polls.⁵

Economically, Taiwan's democracy has bred populist leaders who sacrificed the interests of the business community to the detriment of national growth in order to satisfy the yearnings of the grass-root voters. In March 1998, Taiwan government reneged on an investment project from the German chemical company Bayer worth 1.5 billion U.S. dollars due to popular environmentalist objections.⁶ It sent a negative signal to other potential international investors. That is one of the factors behind Taiwan's stagnant economic growth since the late 1990s.

Strategically, Taiwan's popularly elected legislature has impeded the increase of defense expenditure over the past decade, which has weakened the island defense against China's growing military threats. Ironically, the current ruling Democratic Progressive Party, when in opposition, used to advocate limiting the national defense budget in the early 1990s. Current legislators from the then ruling party Kuomintang, likewise, constitute now the most obstinate objection against the procurement bill submitted by the DPP administration for much needed hi-tech weapons from the U.S.

Taiwan has yet to complete the first round of ruling party rotation. The island now stands at a critical juncture in its development toward democratic maturity. So far, the popular impulse unleashed by the democratic processes -- especially those of the frequently held elections -- and unchecked by rational discussions, has severely damaged Taiwan's national security.

Today, Taiwan is caught in a dilemma between democracy and national security. Energetic democratization has strongly politicized the island and seriously divided the society, which has made the country susceptible to influence from across the Strait. What makes Taiwan particularly vulnerable during this crucial period in Taiwan's democratic learning curve is Beijing's new grand strategy.

CHINA'S NEW GRAND STRATEGY

Beijing has developed and begun to implement, with some success, though not without blunders, an increasingly integrated new grand strategy. It incorporates domestic policy, foreign policy, defense policy, and Taiwan policy synergetically to augment their

discussions in the PLA since the late 1990s.

⁴ "Chen-Lu da ni zhuan, shoudu lingxian Lian-Song 1%" (Chen-Lu Overturns the Campaign by Leading for the First Time by 1%) *China Times* November 6, 2003 p.A3.

⁵ On November 5, 2003, Chen for the first time exceeded Lien in a China Times survey showing 36%:35%. By December 26, Chen led Lien in a tight race of 36%:34%. "Lulan laju Chen-Lu 36% Lian-Song 34%" (The Green and the Blue in Close Race Chen-Lu 36% Lian-Song 34%) *China Times* December 29, 2003 p.A4.

⁶ "Baier xuanbu fangqi Taizhonggang touzi" (Bayer Announces Abandonning Taizhong Harbor Investment Project) *China Times* March 19, 1998.

combined benefits. One of Beijing's aspirations under this national security framework, though unsaid, is to dominate East Asia and nudge out the hitherto leading U.S. influence without war, but mainly with economy and culture. China's rapidly modernizing military capabilities, which Beijing wishes to have fully prepared but preferably not used (*bei er bu yong* 備而不用) in actual combat, are intended to strengthen the effects of Beijing's extra-military instruments.⁷

Economy, Culture, and the PLA

Blessed with a booming economy for over a decade, Beijing now can wield greater foreign policy influence with generous investments and economic assistance abroad. Beijing not only has been pushing resources -- oil, minerals, timber, etc. -- diplomacy from Africa to Latin America,⁸ but also has been providing economic and military aid even to countries such as the Philippines, once in armed conflict with China over the control of the disputed Spratly islands.

Expanding wealth has begotten cultural clout. The Chinese leaders seem intent on cultivating the image of their national capital as the future Mecca of international activities. Partly by momentum and partly by policy design, China has received growing global attention on cultural events of both the popular and formal varieties. They include:

- sponsoring international beauty contests;
- staging high-profile sports events such as "Formula One" car racing, NBA basketball games, and a Real Madrid football match;
- attracting international high fashion designers;
- promoting Chinese learning as a foreign language;
- constructing Chinese cultural centers in major foreign cities;
- sending swarms of generously spending Chinese tourists abroad; and
- holding large-scale international academic conferences such as the Beijing Forum, first organized in August 2004, which will recur annually.

The results are impressive. In South East Asia, "China fear" has been replaced by "China fever."⁹ The Pacific Island states, which used to be the privileged preserves for rich European and American vacationers, are now encroached upon by Chinese tourists on a buying binge.¹⁰ The Economic China has already invaded the American lake also

⁷ The extra-military instruments refer to those outside the military operations such as the economic, cultural, diplomatic, psychological, legal, media-related policy measures.

⁸ Karby Legget, "To Further Global Goals China Expands Its Role In Africa Development" *Asian Wall Street Journal* March 29, 2005, pp. A1 & A9.

⁹ Jane Perlez, "For Many Asians, China Rises as a Cultural Magnet" *International Herald Tribune* 2004.11.19 pp.1,4

¹⁰ James Brooke, "Typhoon of Chinese Tourists Hits the Pacific Islands," *New York Times*, November 28,

known as the Pacific Ocean.

Three areas in PLA modernization are most consequential in Beijing's new grand strategy. First, a survivable nuclear deterrent provided by the 094 nuclear-powered submarines – soon-to-be-deployed – that can launch 16 *Julang* II ICBMS, each carrying at least three nuclear warheads, can complicate Washington's deliberation on whether to intervene militarily in the Taiwan Strait. Second, the expanding PLA navy with submarines capable of launching cruise missiles against U.S. aircraft carriers will increase the risk in the event of a replay of the March 1996 U.S. show of force near Taiwan. Third, the PLA will soon acquire the “acupuncture warfare” or war of paralysis capabilities which would enable it to seize Taiwan with minimum killing and destruction (see Appendix 1 “Accupuncture Warfare” Echoed).

With its increasingly more potent military instrument as a “big stick” held behind, Beijing can “speak softly” with significant effects.

Prioritized Components

The Chinese leadership has probably prioritized its grand strategic components as follows:

- 1. Domestic stability:** To defuse domestic “time bombs,” such as spreading social unrest and deep-rooted economic ills, and to maintain national stability at all cost.
- 2. Relations with the U.S.:** To strengthen and stabilize official communications with Washington while not refraining from expressing disagreements. To place bilateral cooperation above contradiction. And, to avoid military confrontations with the U.S. because “time is on our side.” (see Appendix 2: Qian on Cooperation with the US: Appendix 3: US Strategic Expansion to Slow Down)
- 3. Containing Taiwan:** To aim at “annexing Taiwan without fighting” as the top option. To design “coercive strike on the brink” (see Appendix 4: Coercive Strike on the Brink) as the middle option. And to prepare militarily for “seizing Taiwan while deterring the U.S.” as the lowest option. Parenthetically speaking, “striking the U.S. and destroying Taiwan” was never an option.
- 4. Engaging the neighbors:** To proactively implement the “neighbors policy” -- make them feel friendly, secure, and wealthy (*mulin anlin fulin* 睦鄰安鄰富鄰).
- 5. Europe as counterweight:** To elevate relations with the European Union as a counterweight against the U.S..
- 6. Presence in Africa and Latin America:** To expand presence in Africa and the Latin America with “resource diplomacy” and economic aid.

Taiwan has been perhaps the most daunting problem for Beijing, largely because Beijing has misjudged Taiwan's politics by "mirror-imaging" the island. In the democratic Taiwan, the bottom-up forces have been greater than the top-down ones, while in China the opposite remains true. Not until 1999 did the PRC's Taiwan affairs officials begin to grasp the difference.¹¹ And "winning the hearts and minds of Taiwan compatriots" was not translated into substantive policy measures until Hu Jingtao really took over the rein in early 2005.

Beijing's current Taiwan policy largely resulted from cumulative group learning of both the civilian and military leaders since the early 1990s. Still, Hu's personal imprimatur on the policy is unmistakably discernible.

How Hu Differs from Jiang

While Hu's overall approaches are more agile and multifarious than Jiang's, Hu differs from Jiang Zemin in five particular aspects:

1. No timetable for unification: Unlike Jiang who toyed with the deadline for unification without ever making a final decision, Hu dropped the issue. On September 24, 2004, five days after Hu took over the chairmanship of the Chinese Communist Party's Central Military Commission, he approved a new guideline on Taiwan policy: "strive for negotiation, prepare for war, and fear not Taiwan's procrastination." (*zhengqu tan zhunbei da bupatuo* 爭取談，準備打，不怕拖)¹²

2. Extra-military emphasis: Hu would put greater emphasis on instruments other than the military. Going beyond the "three wars"¹³ – legal, psychological, and media warfare, they would include economic, agricultural, social, cultural, and diplomatic means.

3. Enhanced two-pronged tactics: Hu's hard hand would be harder, and his soft hand would be softer. The anti-session law passed on March 14, 2005 under Hu appeared to be harder than any measures Jiang had attempted. Yet Hu sandwiched it with closely spaced friendly gestures and concrete offers to Taiwan.¹⁴

4. Reaching toward DPP: Hu endeavors to win over more segments in Taiwanese

¹¹ PRC Taiwan Affairs Office Deputy Director Sun Yafu (孫亞夫) confessed on April 27, 2005 in an "internal" lecture at Peking University that Beijing gained only a rough understanding of cross-strait relations in 1999. "Yizhong fenqi Sun xiedi: renshi buzhi" (一中分歧孫洩底：認識不足) *Lienhebao* (United Daily News) April 29, 2005, p.A4.

¹² Communication with a visiting scholar from China. November 18, 2004.

¹³ "Xin xuedingde jiefangjun zhengzhi gongzuo tiaoli banxing" (新修訂的「解放軍政治工作條例」) *Jiefangjun Bao* December 15, 2003.

¹⁴ For example, Hu's "good-will" gestures and offers to Taiwan included the Spring Festival chartered cross-strait flights before, and the exemptions of tariffs for Taiwanese agricultural imports to China afterwards.

population, and to oppose only the die-hard independence advocates. While Jiang attempted to ally with the Taiwanese businessmen against the officials and the civilians against the government (*yi shang wei zheng yi min bi guan* 以商圍政以民逼官), Hu would reach out toward the officials and the government, including the ruling Democratic Progressive Party, popularly perceived to be pro-independence.¹⁵ While Jiang had irreversibly branded Taiwan President Chen Shuibian as “splittist” and refused to talk to Chen, Hu has left open the prospect of interacting with him. Since the early 2005, Hu and his officials have repeatedly indicated that once Chen abandoned the pro-independence posture, Beijing would let bygones be bygones and engage him.¹⁶

5. Alternative sovereignty concepts: Although no official statements have been made, Hu has allowed, if not encouraged, think-tanks and scholars in China to explore alternative sovereignty concepts in order to break the cross-strait impasse. The concepts include “overlapped sovereignty,” “the United States of Chinese Republics,” the three UN seats taken in 1945 by the former Soviet Union, Ukraine, and Belorussia. In the fall of 2004, Hu tacitly recognized the ‘de facto independence’ of Taiwan when he publicly opposed the “de jure independence” of Taiwan.” The public mention of the latter term was unprecedented for Beijing leaders.

What Hu Inherits from Jiang

Hu inherits from Jiang four aspects in Beijing’s Taiwan policy:

- 1. Military preparations for seizing Taiwan:** Hu has continued to support the rapid PLA modernization to prepare for the military option, should extra-military approaches on Taiwan eventually fail.
- 2. Opposing independence above promoting unification:** Hu has followed the late-Jiang policy that stressed opposing independence over promoting unification.
- 3. Constraining Taipei’s independence through foreign capitals:** Hu has not changed the indirect approach adopted by Jiang since 1997 to pressure Taipei first through Washington, and then through an increasing number of foreign capitals such as Paris, Berlin, Singapore, Canberra and others.
- 4. Reducing Taiwan’s international space:** Although Hu has dangled the offer of

¹⁵ Hu in his March 4, 2005 speech welcomed those who abandoned their pro-independence stance, and he would not make an issue of their past (既往不究). For Jiang, once an independence advocate was labeled as such, he or she had no second chance.

¹⁶ These words were publicly stated by PRC Chairman of the Political Consultative Conference Jia Qinglin on January 28, 2005, and by Hu Jintao twice on March 4, 2005 when speaking at the opening session of the Political Consultative Conference meeting, and on May 12, 2005 when receiving Taiwan political leader Song Chuyu. For example, Jia said on that occasion: “If DPP (members) just abandons Taiwan independence party platform, ceases Taiwan independence splittist activities, we are willing to respond positively, contact, and engage them.” (word in parenthesis added by author) *peopledaily.com*.

allowing Taiwan observer status in the World Health Assembly, Beijing has in fact not ceased its effort to snatch from Taiwan countries of full diplomatic recognition.

Under the widespread concerns of PLA invasion of Taiwan, the island faces an even greater danger of being absorbed by China without the trauma of war. Like a frog in a pot of heating water, Taiwan may be gradually and unknowingly lulled into losing its sovereignty and resolve to defy the enemy.

U.S. CROSS-STRAIT REALITY

Washington's cross-strait policy has crystallized into what is commonly referred to as the "double clarity" or "double deterrence." With words and deeds, Washington has deterred the use of force by Beijing and the declaration of "*de jure*" independence by Taipei.

So far, the U.S. has been successful in curbing the destabilizing impulses from both Beijing and Taipei.

Yet, an alternative scenario of China's expansion may trump Washington's regional strategic arrangement. Beijing may gradually win over a plurality or even a majority of Taiwanese population by "goodwill offensives," and Taiwan may be eventually integrated by China without military operations. A public opinion survey that had been regularly held since 1992 was conducted shortly after Taiwan's opposition leader Lien Zhan visited China in April 2005 and found the lowest ever count of perceived hostility from Beijing.¹⁷ Other surveys found that more Taiwanese did not believe Beijing's "benevolent" offers were united-front tactics than those who did.¹⁸

China's growing international influence has created among U.S. opinion leaders a budding idea of "accommodation". It is not a theory, and far from being a policy, yet it has the potential to become a competing policy option in addition to the existent "engagement" and "containment" for dealing with China (**see Appendix 5 Accommodation School**).

The U.S. is currently embroiled in a bleeding war abroad and simultaneously strained by exacerbating fiscal and trade deficits. Such coincidence of national ailments has few precedents in U.S history, if any. Perhaps, that added onto the perceived rise of China has fostered the creeping notion of "accommodation."

In the scenarios of either "engagement" or "containment," Washington plays the

¹⁷ Only 45.4% of Taiwanese found Beijing unfriendly toward Taiwan government, and only 37.3% toward Taiwanese people, according to a survey commissioned by the Mainland Affairs Council and conducted by National Chengshih University Election Study Center on May 4 – 6, 2005. See <http://www.mac.gov.tw>.

¹⁸ To the question "Do you think China's gifts to Lien Zhan – pandas, tariff-free agricultural imports from Taiwan, and mainland tourists to Taiwan – were united-front tactics?", 41.09% said yes, 47.55% said no, and 11.36% said "no opinion or don't know." *Apple Daily* (Taipei) May 4, 2005. <http://www.appledaily.com.tw/News/index.cfm?Fuseaction=Article&NewsType>

lead. In the scenario of “accommodation,” however, Washington no longer holds the title role.

A U.S. pull-out from Iraq compelled by mounting domestic disenchantment would be more devastating than Vietnam and might have repercussions beyond the Middle East. After 1975, no dominos followed in Southeast Asia. This time in the Middle East, if it were to happen, there would be no guarantee of such luck. Washington’s resolve to militarily intervene in the Strait if Taiwan were attacked by the PLA would be most likely compromised. Perceiving a weakened U.S. commitment to defend Taiwan, Beijing would exploit it by employing extra-military means – psychological, economic, social, foreign policy instruments, and many others – to achieve unification without bloodshed.

Such outcome would fit the ideal in Chinese strategic tradition as prescribed in *Sun Tzu The Art of War*: “To subdue the enemy without fighting is the acme of skill.”¹⁹ In fact, Sun Tzu’s teachings these days have become fashionable in the PLA (see **Appendix 6 Sun Tzu in the PLA**).

RECOMMENDATIONS

A number of suggestions for Washington follow:

1. Be wary of China’s extramilitary challenges under Beijing’s increasingly integrated grand strategy. The now enthusiastic PLA watching is necessary but insufficient, and may miss the key point. One guards on the west but the enemy comes in from the east.

2. Pro-actively coordinate with U.S. formal allies and informal friends such as Taiwan in both concept and actions on how to face the rise of China through extramilitary means but enhanced in effects by its ascending military capabilities.

3. Extend U.S. cultural and economic influence to China’s peripheries, provinces, non-political elites, and youths. Break the self-imposed conceptual box of concentrating efforts on China’s political center. Remember: governments are temporary while people are forever.

4. Improve communication with Taiwan. Establish hotlines between key government offices. Invite Taiwanese legislators for educational purposes. Open up more military schools for Taiwan officers and cadets.

However the U.S. eventually decides to cope with the rise of China, Taiwan is indispensable. To engage the rising China, Taiwan is the beacon for China’s democracy; to contain it, Taiwan guards the most vital portal of the first island chain; and to

¹⁹ *Sun Tzu The Art of War* translated by Samuel B. Griffith (Oxford University Press, 1963) p.77.

accommodate to it, Taiwan stands as a buffer.