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**The Risk of War Over the Taiwan Strait**

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## **The Risk of War Over the Taiwan Strait**

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In East Asia, the North Korean nuclear issue, the South China Sea territorial disputes and problems surrounding the Taiwan Strait are potential flashpoints for regional armed conflicts. The Taiwan Strait impasse is potentially the most dangerous since it may engage the US and China in direct armed conflict if the Cross-Strait tensions are not properly managed.

The purpose of this paper is to analyze the risk of armed conflict or, in the worst case scenario, war over the Taiwan Strait. The essay is divided into five parts: The first section analyses China's Cross-Strait policy under Hu's leadership; the second section deals with Taiwan President Chen Shui-bian's policy toward the Cross-Strait relations since he came into power in 2000; the third part examines the Anti-Secession Law (ASL)<sup>1</sup> as a case study of the political tensions involved in the Cross-Strait relations; the fourth part gives an assessment of the consequences of the ASL for Cross-Strait relations. The last part deals with the prospects for the Cross-Strait impasse in the context of war and peace and the implications of the problem for the region as a whole.

### **Hu Jintao's Policy**

Like Jiang Zemin, Hu Jintao (hereafter Hu) is a fervent nationalist who sees unification with Taiwan as a great task for his administration. On the question of the 'One China' principle, there is much continuity with 'Jiang's Eight-Point Proposition' (1995)<sup>2</sup> towards Taiwan. Therefore, for Hu and Jiang, as for Mao and Deng, there can be no compromise on the question of sovereignty and territorial integration. Thus, in their eyes, there is no possibility of the Democratic Progressive Party (DPP) and the

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<sup>1</sup> For the full text of the ASL, see appendix 1, Anti-Secession Law Adopted at the Third Session of the Tenth National People's Congress on March 14, 2005, *People's Daily Online*, 14 March, 2005, <[http://english.people.com.cn/200503/14/eng20050314\\_176746.html](http://english.people.com.cn/200503/14/eng20050314_176746.html)>.

<sup>2</sup> See Appendix 2 'Jiang's Eight-Point Proposition' (1995), see Trend of China's Taiwan policy crystallizes, expert analysis, *People's Daily Online*, 27 January, 2005, <[http://english.people.com.cn/200501/26/eng20050126\\_172025.html](http://english.people.com.cn/200501/26/eng20050126_172025.html)>.

Taiwan Solidarity Union (TSU) transforming the Republic of China into the Republic of Taiwan.

Hu's Taiwan policy can be briefly summarized under the rubrics of pragmatism and realism. Hu is not burdened by such historical baggage as 'anti-imperialism' and opposition to Japanese colonialism in Taiwan (1895-1945). Jiang Zemin was born in 1926 and Lee Teng hui in 1923). Hu, in contrast, was born in 1942 and thus Japanese rule in China and Taiwan had little impact on the formative years of his life. His thinking on Taiwan is therefore more issue-oriented than ideologically and emotionally based. He tries to understand and analyze the roots of the Taiwan problem pragmatically and realistically while finding ways to resolve it.

Hu's thinking is also shaped by the different circumstances that prevailed in Taiwan when he came to power. The evolving political, economic and social situations in Taiwan were very different under Chiang senior and Chiang junior as well as under Lee Teng Hui. Hu has to deal with the rise of the DPP and its new administration under President Chen Shui-bian, whereas Jiang Zemin had to deal with the Kuomintang (KMT).

Hu's thinking is realistic as he recognizes that the Taiwan issue is complex and that unification cannot be achieved immediately. His priority is how to ensure that Taiwan will not separate from the Mainland. He therefore sees it as an urgent task to put more efforts and more urgency into his dealings with the centrifugal movement in Taiwan.

One can also detect Hu's dialectical strategy in his Taiwan policy. He regards the Taiwanese fundamentalists seeking independence as 'enemies' of China and regards the majority of the Taiwanese people (23 million), including the opposition parties, as compatriots whose loyalties need to be won. Thus who are the 'people' and who are the 'enemies of the people' is clearly defined in Hu's Taiwan policy.

His pragmatic thinking can also be seen from the separation of politics and economics. He is sympathetic and tries to be helpful to Taiwanese businessmen doing business in China, while taking a hard-line approach towards the policies of Taiwan's

fundamentalists. In short, Hu adopts a united front strategy with Taiwanese businessmen and with the ordinary citizens in Taiwan so as to alienate Chen's pro-independence administration.

### **Characteristics of Hu's policy**

Unlike Jiang Zemin, who was more defensive and less active, Hu's Taiwan policy is more pro-active and assertive. In fact, he has taken the initiative by setting the direction of the agenda for unification. This can be seen from the enactment of the ASL in March 2005 and the initiative to invite opposition leaders from the KMT, the People's First Party (PFP) and the New Party (NP) to visit China during April to June 2005. Hu thus adopted and opened a new window to minimize the Cross-Strait impasse while trying to isolate Chen. While Hu is opposed to the diehard fundamentalists, he is flexible and open enough to include the ruling DPP, including President Chen, in the dialogue process of the Cross-Strait relations, provided, Chen agrees to accept the '1992 Consensus',<sup>3</sup> i.e. the 'One China' framework. Hu is willing to be flexible enough to accept the idea of '2 sides 1 China', that is parity on both sides of the Cross-Strait dialogue. He has even gone as far as to assure Taiwan that Beijing has no intentions to invade the island.

Hu's strategy has dual elements. On the one hand, he tries to paint the Taiwanese fundamentalists as 'bad elements', using tactics to marginalize, isolate and alienate them from the mainstream. On the other hand, he depicts the majority of the Taiwanese people as 'good elements' and therefore tries to provide incentives and benefits for them so as to entice them to be more sympathetic to his Taiwan policy. In other words, he engages in hard-line tactics in his struggle against the diehard Taiwanese fundamentalists, while employing soft-line tactics in the hope of winning the hearts of the people, creating the image that the Beijing leadership is really concerned about the welfare of their compatriots on the other side of the Taiwan Strait. Thus a combination of carrots and sticks strategies is used, ranging from threats, pressure, struggle and propaganda, etc. in his dealings with the Chen administration on the one hand, and the Taiwanese people, on the other. In short, Hu's strategies can be succinctly summarized as a combination of peaceful inducement and military coercion, in the last resort, if necessary. Thus under Hu's leadership, China is working

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<sup>3</sup> See Backgrounder: "1992 Consensus" on "one-China" principle, *Xinhua*, 13 October, 2004, <[http://www.chinadaily.com.cn/english/doc/2004-10/13/content\\_382076.htm](http://www.chinadaily.com.cn/english/doc/2004-10/13/content_382076.htm)>.

for negotiations while preparing to fight; at the same time, Beijing does not mind waiting to allow more time to solve the impasse.

## II. Chen Shui-bian's China Policy

Chen's China policy can best be described by the new guide lines promulgated by him in August 2005, i.e. "One principle, Three Insistences and Five Oppositions."<sup>4</sup> The 'One Principle' is to protect Taiwan's sovereignty. As the President of the DPP, Chen has always maintained that Taiwan is a separate, independent state. Thus in the short term, Chen accepts the Republic of China's (ROC) constitution stating that Taiwan is part of the ROC. From Chen's perspective, Taiwan is not part of the People's Republic of China (PRC) because the PRC has never exercised jurisdiction over Taiwan since its birth in October 1949. Thus from Chen's perspective, both Beijing and Taipei are separate, politically and mutually exclusive states, not related to nor belonging to each other. In the long term, Chen and the DPP want to transform the ROC into the Republic of Taiwan, a sovereign de jure independent state. For this reason, Chen has advocated the thesis of 'One Side One China' i.e. Taipei is one side, Beijing is the other side.<sup>5</sup> Thus Chen and the DPP reject Deng Xiaoping's proposal of 'One Country Two Systems'.<sup>6</sup> The idea that Taiwan is a province and Beijing is the center cannot be accepted by Chen, the DPP and the TSU.

For Chen, 'one side, one China' means that Taiwan is an independent sovereign state whose territory includes Taiwan, Penghu, Matsu, Kinmen and its adjacent islets.<sup>7</sup>

Chen sees himself as a President of the ROC and his responsibility is to protect its sovereignty. At the present phase, Chen's strategy is to promote a peaceful

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<sup>4</sup> See *Taipei Times*, 7 August, 2005,

<<http://www.taipeitimes.com/News/front/archives/2005/08/07/2003266729>>.

<sup>5</sup> See BBC News, 5 August, 2002, <<http://news.bbc.co.uk/2/low/asia-pacific/2172970.stm>>; see also Taiwan Communiqué No. 102, September 2002,

<<http://www.taiwandc.org/twcom/102-no1.htm>>, and *China Post*, 31 August, 2002, Taiwan Security Research,

<<http://www.taiwansecurity.org/News/2002/CP-083102.htm>>.

<sup>6</sup> For full text of Deng Xiaoping's remarks on the concept of 'one country, two systems', see *China Daily Online*, 19 February, 2004, <[http://www2.chinadaily.com.cn/english/doc/2004-02/19/content\\_307602.htm](http://www2.chinadaily.com.cn/english/doc/2004-02/19/content_307602.htm)>.

<sup>7</sup> Taiwan Strait IV: How an Ultimate Political Settlement Might Look, International Crisis Group Asia Report No. 75, 26 February, 2004, p.12; see also *The Straits Times*, 13 May 2005; for full text of Chen Shui-bien's inaugural speech on 20 May, 2000, see

<<http://www.globalsecurity.org/wmd/library/news/taiwan/2000/e-05-20-00-8.htm>>. See also Shaw, Chong-hai. *Cross-Strait Relations: Chen Shui-bian's Mainland China Policy*, (in Chinese), Taipei: Sheng-Chi Book Co. 2001, pp.153-163.

relationship with China based on the principles of equality, democracy, mutual respect and mutual trust.<sup>8</sup> The guiding policy of maintaining normal Cross-Strait relations, according to Chen, is to cultivate good will, positive cooperation and mutual understanding. Chen believes that without maintaining normal relations with China, it is difficult for Taiwan to achieve a normal status in the international community. In order to achieve the goal of normalization in Cross-Strait relations, Chen insists that China and the international community must recognize Taiwan as an independent state and ensure that its security be protected.

Chen considers that in the 21<sup>st</sup> century, both Beijing and Taipei must discard their historical suspicion, reduce tensions, avoid military confrontation and move towards forming better ties on the basis that both sides share a common ethnic and cultural heritage. Chen maintains that both sides can create a sound common future, based on mutual sincerity and trust. For this reason, Chen says that he is prepared to deal with Beijing to maintain a special relationship.

Chen has proposed a peace agreement to serve as a transitional framework.<sup>9</sup> Within this framework, both sides should accept the UN Peace Charter and undertake not to use force to threaten each other. Existing mutual boundaries between Taiwan and the PRC should be respected and should not be violated or changed by either side without the consent of the other.<sup>10</sup>

China, however, has not been receptive to Chen's proposal as Beijing perceives Chen is totally untrustworthy. China insists that there will be no deals with Chen unless the latter accepts the '1992 Consensus', i.e. the 'One China' principle, which Chen has so far categorically rejected. Thus, for Chen, the 'One China' principle means 'agree to disagree' on the subject of the so-called '1992 Consensus'. The Beijing leadership and Chen have different interpretations of the meaning of 'One China'. For Chen, 'One

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<sup>8</sup> See Chen Ming-tong, *Our Country's Mainland Policy: An Assessment and Future Prospects*, New Century Think Tank Forum (Taiwan), Vol. 29, 2005, pp.47-77.

<sup>9</sup> Kenneth Lieberthal also proposed such a peace agreement, see 'Preventing a War Over Taiwan', *Foreign Affairs*, March/April 2005, Vol. 84, No. 2; see also I. Yuan, *Confidence Building Across the Taiwan Strait: Taiwan Strait as a Peace Zone Proposal*, CNAPS Working Paper, September 2000, The Brookings Institution, <[http://www.brookings.edu/fp/cnaps/papers/2000\\_yuan.htm](http://www.brookings.edu/fp/cnaps/papers/2000_yuan.htm)>.

<sup>10</sup> For Chen Shui-bian's inaugural speech see <<http://www.globalsecurity.org/wmd/library/news/taiwan/2000/e-05-20-00-8.htm>>; see also Shaw Chong-hai, *Cross Strait Relations: Chen Shui-bian's Mainland China Policy*, op. cit., pp.167-178 and Chen Ming-tong, *Our Country's Mainland Policy: An Assessment and Future Prospects*, *ibid.*, p.91.

China' simply means 'One Side One Country', an idea which he articulated in a speech made on 3<sup>rd</sup> August 2002.<sup>11</sup>

Chen's 'Three Insistences' mean, in essence 1) democratic reforms; 2) protecting Taiwan's core interests; 3) transforming Taiwan into a great and progressive country.<sup>12</sup>

One of the arguments for Chen's rejection of political integration with China is that China's political system is based on a one party dictatorship, whereas Taiwan is a vibrant democracy. Unless and until China undertakes serious political reforms and moves towards democracy, there is no reason for Taiwan to merge with China. Chen insists that any change in Taiwan's political system must be accomplished through a referendum. Chen does not rule out the possibility of political unification with China if two-third of its 23 million people were to accept unification as a result of a referendum.

Chen also believes that there is a need, too, for Taiwan to undertake political reforms. Chen intends to change the constitution with a view of transforming Taiwan's political system to that of a normal state by 2008.<sup>13</sup>

Chen's 'Five Opposition' policies can be summarized as follows: 1) opposing the 'One China' policy; 2) rejection of the 'One Country, Two Systems' formula; 3) rejection of the '1992 Consensus'; 4) opposition to any proposal that is premised on 'unification', depriving the Taiwanese people of their freedom to decide for themselves about their own future; 5) opposition to China's ASL.<sup>14</sup> In short, these new guidelines insist that Taiwan wants to be left alone and the Taiwanese themselves, not the Chinese leaders in Beijing, are the ones to decide their own future. Chen clearly wants to achieve a peaceful separation. He wants China to respect the ROC's survival space and to obtain international recognition and respect. Thus the ultimate

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<sup>11</sup> *Taiwan Times*, 4 August, 2002.

<sup>12</sup> *Taipei Times*, 7 August, 2005, <<http://taiwansecurity.org/TT/2005/TT-070805.htm>>.

<sup>13</sup> Yu Bin. The Fault Lines that could shake Asia, *Asia Times*, 29 October 2005, <[http://www.atimes.com/atimes/Asian\\_Economy/GA07Dk01.html](http://www.atimes.com/atimes/Asian_Economy/GA07Dk01.html)>.

<sup>14</sup> *Taipei Times*, 7 August, 2005.

goal of Chen's policy is to achieve independence peacefully and to promote coexistence with China.

### **Characteristics of Chen's policy:**

One of the characteristics of Chen's China policy is its 'defensive' nature. Clearly, Chen knows where the boundaries lie and he makes sure that his hard-line China policy works within the limits set by China. Chen will not adopt policies or measures which will lead to a military confrontation with Beijing. Chen's defensive thinking can be seen from his inaugural speech on 20 May 2000 in which he announced the 'Five No' policy: 1) No declaration of independence; 2) No change of the national symbols of the ROC; 3) No change of status quo through a referendum on the issues of unification and separation; 4) No abolition of National Unification Guidelines; 5) No advocacy of a two states proposal in the Constitution.<sup>15</sup>

Chen's China policy has been criticized as shallow and lacking a coherent vision for bringing about a major breakthrough in better Cross-Strait relations. Chen can be unpredictable and ambivalent toward China. As a leader who gained only 39.3% (4,977,737) of the popular vote in the first presidential election in 2000 and 50.11% (6,471,970) of the total vote in the second presidential election in 2004,<sup>16</sup> and whose ruling DPP does not enjoy a majority in Parliament, Chen is unlikely to push for a radical pro-independence policy. Because of this he has disappointed the hardliner fundamentalists in the DPP whose party platform is to fight for an independent Taiwan. On the other hand, Chen refuses to accept Beijing's 'One China' policy, thus inviting criticism from China, which accuses him of separatism. Chen, on a number of occasions, has publicly expressed his good will through positive policy postures in the hope of improving Cross-Strait ties. At the same time, Chen tries to portray his administration as an underdog, bullied by Beijing, in the hope of garnering international sympathy and understanding. The outcome has been perpetuation of the political impasse in Cross-Strait relations. Thus Chen is facing a dilemma. On the one hand, he cannot realize his party's platform of pursuing an independent Taiwanese

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<sup>15</sup> See Chen's inauguration speech on 20 May, 2000 in Shaw, Chong-hai. *Cross-Strait Relations: Chen Shui-bian's Mainland China Policy*, *op. cit.*, p.161.

<sup>16</sup> See Richard, Gunde. The Election in Taiwan: A Forum, UCLA International Institute, <<http://www.international.ucla.edu/article.asp?parentid=9435>>.

See also Year 2000 Presidential Elections, <<http://www.taiwandc.org/elec2000.htm>>, and Chen's inauguration speech of 20 May, 2000 in Shaw, Chong-hai. *Cross-Strait Relations: Chen Shui-bian's Mainland China Policy*, *ibid.*, p.161.



state and has been forced to move toward the center, accepting the status quo for the ROC constitution at the expense of the DPP's fundamentalists' position. On the other hand, Chen is unlikely to achieve a breakthrough in China policy unless he accepts Beijing's "One China" principle. The outcome is that Chen is unlikely to end his presidency in 2008 with substantial achievements in Cross-Strait policy to his credit. Thus, under Chen's administration, the Cross-Strait impasse and political tensions will remain. It is difficult for either side to achieve reconciliation because of mutual suspicion and the negative images they hold of each other. The DPP and President Chen have, in fact, deliberately instilled negative images about China among the Taiwanese people. The public images in China of the DPP, and particularly of President Chen himself, are also negative. Beijing portrays him as the miscreant who is delaying the unification efforts initiated by the Fourth Generation Chinese leadership in the Hu/Wen team.<sup>17</sup>

### **III. Why did China adopt the ASL?**

First, the ASL must be interpreted within the context of the ongoing domestic debates within the ruling Chinese Communist Party (CCP) on the question of how to develop an appropriate strategy to deal with the growing tendency for Taiwan to drift away from the Mainland, a trend initiated by former KMT President Lee Teng-hui at the beginning of the 1990s. When President Lee came into power in the late 1988, he paid lip service to the 'One China' policy under the flag of the ROC, while subtly promoting a 'Taiwanization' policy with the intention of eventually transforming the ROC into the Republic of Taiwan. This policy continued until his retirement in 2000.

Within the CCP there exist two schools of thought on how to deal with the growing Taiwanese independence tendency. The hawks are happy to countenance the use of force to settle the Cross-Strait impasse. The moderates within the party leadership and hierarchy would prefer a peaceful solution to the Cross-Strait problem.

First the ASL legitimizes Chinese military action in the case that Taiwan declares independence, 'under any name or by any means'<sup>18</sup>. It also gives China the legal right to attack Taiwan 'if possibilities for a peaceful reunification are completely

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<sup>17</sup> Interviews in Taiwan and China, 2005.

<sup>18</sup> See Appendix 1; see also Abanti Bhattacharya, Tug - of Possible - war over Taiwan, p.1, <<http://www.idsa-india.org/abantiarticle01.htm>>.

exhausted'. Furthermore, the ASL gives China the legal right to intervene militarily if there is a continuous 'occurrence of major incidents (such as uprisings) entailing Taiwan's secession from China'.<sup>19</sup> In this sense, one can argue that the enactment of the ASL has developed out of the long-standing sovereignty issue inherited from the civil war between the CCP and the KMT in the 1940s and from the historical legacy of the Cold War between China and the US. Thus the ASL is not just a domestic legal matter but involves the triangular relationship between China, Taiwan and the US, especially in the context of the rising China-US strategic competition in East Asia.

Second, the ASL is intended to send a message to the US, encouraging it to reflect about its strategic goals in East-Asia in general and reminding it of the limits of its role in Taiwan, in particular. Beijing is serious about going to war with the US, regardless of the cost, should the latter embark on a policy of encouraging Taiwan to seek independence. In other words, Beijing will not tolerate any external intervention by major powers such as the US, Japan, etc., with the intention of making Taiwan secede from China. To highlight the risk of war is to put pressure on the US and Japan not become so close to Taiwan that China's territorial integrity is placed in jeopardy.

Third, the ASL can be interpreted as signaling a change in China's Taiwan strategy from a passive one into a more assertive posture, a trend evident since Chen Shui-bian came to power in 2000. The Hu/Wen's fourth generation leadership Taiwan policy has shifted from Jiang's 'wait and see policy' towards one of putting more pressure on the independence-minded DPP President Chen. In this sense the ASL can be seen as a response to the Chen administration, which is perceived by Beijing as totally untrustworthy. The ASL is a clear message to President Chen reminding him where the bottom line lies. Any move beyond that point would mean war and the destruction of Chen's administration. In this sense, the ASL is more likely to reinforce the status quo in the Cross-Strait tensions. The ASL might prevent Chen from enacting a new constitution by 2008. From Beijing's perspective, therefore, the ASL is part and parcel of the strategy of threatening war against Taiwan while hoping for peace. Professor Chen Kongli of Xiamen University, a leading Cross-Strait specialist, argues

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<sup>19</sup>Abanti Bhattacharya, Tug - of Possible - war over Taiwan, *ibid.*, p.1.

that the ASL is a conservative rather than a radical document because it emphasizes China's legal commitment to peace rather than war.<sup>20</sup>

Fourth, can the ASL be seen as an outcome of the People's Liberation Army's (PLA) hawkish line? Is the intention to keep Cross-Strait tension alive so that the PLA can play a more active role in the Taiwan issue and justify a bigger defense budget? Such a line of argument is based on the fact that the PLA has placed about 700 missiles along the coast facing the Taiwan Strait. The PLA intends to add about 75 to 120 missiles to this battery each year so as to put more pressure on Taiwan.<sup>21</sup> In short, from the PLA's perspective, the ASL provides the armed forces with the flexibility to act against Taiwan if necessary. One possible implication of the ASL is that it is better for the PLA to act sooner than later.<sup>22</sup> In the wake of the Bush administration's decision to beef up Taiwan's military capabilities by selling the island more arms, it might be difficult for Beijing to force Taipei to the negotiating table at a later date.

It can also be argued that the ASL can help the Party leadership rein in those hawkish PLA generals who would like to settle the Taiwan question by force.

The ASL, passed in March 2005, can be explained in the context of China's domestic politics as response to Taiwan's drifting away from the 'One China' policy. After more than two years of pursuing a 'wait and see' policy towards Chen's administration, China eventually decided to draft the ASL in Fall of 2003 and could not renounce it after the National People's Congress (NPC) Standing Committee accepted the draft in December 2003. Hu Jintao had to show the hard side of his Taiwan policy before he moved towards the soft side.<sup>23</sup> The ASL thus represents a compromise between the hardliners and the moderates.

Fifth, from the psychological perspective, the ASL can be interpreted as demonstrating the Chinese leadership's distrust of Chen's administration. The ASL

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<sup>20</sup> Interview with Professor Chen Kongli on 29 April, 2005 at Xiamen University.

<sup>21</sup> *Taipei Times*, 5 September, 2005. See also Annual Report to the Congress: The Military Power of the People's Republic of China 2005, Department of Defense, Office of the Secretary of Defense, <<http://www.defenselink.mil/news/Jul2005/d20050719china.pdf>>.

<sup>22</sup> See Martin Lasater. Why China May Elect to use Force in the Taiwan Strait, *Taiwan Security Research*, 13 August, 2004, <<http://taiwansecurity.org/IS/2004/Lasater-130804.htm>>.

<sup>23</sup> David, G. Brown. A little Sunshine across the Strait, *Asia Times*, 21 April, 2005, <<http://atimes.com/atimes/China/GD21Ad06.html>>.

also prepares the Chinese people for war with Taiwan if necessary when the circumstances arise. It is a signal to the Chinese people, particularly the younger generation of nationalists, that the CCP is with them.

Finally, the adoption of the ASL is a practical alternative to neither unification nor separation. There was more to gain than to lose from passing the ASL. It represents a new tactic for Hu to counter the tendency to independence by Chen and his DPP and the TSU while at the same time promoting unification.

In the wake of the passing of the ASL, one has to ask whether China will attack Taiwan in the next ten years. Is war inevitable, as predicted by analysts such as Yan Xuetong, a leading scholar from Qinghua University?<sup>24</sup>

#### **IV. Consequences of the ASL**

To Western critics, the ASL tarnishes China's peace loving image and casts doubts about the CCP's responsible leadership in Cross-Strait relations. The Taiwanese public in general has negative perceptions towards the ASL. One survey showed that 60.6% of respondents felt the ASL would have a negative impact on Cross-Strait exchanges and 55.1% thought that it would have detrimental effects on future negotiations.<sup>25</sup> On 26 March 2005, a large crowd of more than 300'000 staged demonstrations against China's ASL in Taipei. The DPP made much political capital from the ASL. This could be seen from the results of the 14th May 2005 General Election, when it won 127 seats, representing 42.5% of the total votes, thus becoming the largest party in the 300 seat National Assembly. The pro-unification KMT, in contrast, won 117 seats, that is 38.9% of the total votes.<sup>26</sup> The TSU won 21 seats, more than the People First Party (PFP) which got 18 seats, representing only 6.1% of the total votes.<sup>27</sup> The TSU put pressure on President Chen Shui-bian, toying with the idea of drafting an Anti-Aggression Bill. It dropped this idea as a result of US

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<sup>24</sup> Doug, Bandow. Keeping Peace in the Taiwan Strait, Cato Institute 24 March 2000, <<http://www.cato.org/dailys/03-24-00.html>>. The writer has interviewed Professor Yan at two different occasions, once in Beijing in 1996 and later on in Singapore. On both occasions, Professor Yan maintained that a China-Taiwan armed conflict was unavoidable.

<sup>25</sup> Public Opinion Poll, *National Chengchi University's Institute of International Relations*, Feb. 25-27, 2005, < <http://www.mac.gov.tw/english/english/anti/pos01.htm>>; see also *Taipei Times*, 6 March, 2005.

<sup>26</sup> *The Straits Times* (Singapore), 15 May, 2005 and 16 May, 2005.

<sup>27</sup> *The Straits Times* (Singapore), 15 May, 2005 and 16 May, 2005.

opposition. Washington feared triggering further tensions in the Cross-Strait relations.<sup>28</sup>

In short, the ASL has further politically eroded Taiwan's support for the 'One China' policy. It has also undermined, to some extent, the pro-unification parties' support among the general public in Taiwan, although it has managed to check the independence fundamentalists' moves toward a more radical position. Finally, the ASL has also adversely affected China's relations with the EU, creating frictions over the lifting of the EU's arms embargo.<sup>29</sup>

Domestically, the ASL gives the Hu/Wen leadership more flexibility with tackling Cross-Strait tensions. The ASL which initially obtained its impetus from the proposed Unification Law, is a step away from the original hardline proposal advocated by the hawks within the CCP and the PLA establishment.<sup>30</sup> Thus the ASL makes it less difficult for the Hu/Wen leadership to continue pursuing a peaceful reunification policy. In July 2005, Hu Jintao set forth a four point guideline for China's Cross-Strait policy. These four points include: 1) 'never sway in adhering to the One China principle, 2) never give up efforts to seek peaceful reunification, 3) never change the principle of placing hope on the Taiwan people, 4) never compromise in opposing the 'Taiwan independence' secession activities.'<sup>31</sup>

Will China attack Taiwan during Hu's leadership in the aftermath of passing the ASL?

First, the most important priority of Hu's administration in the next ten to twenty years is national development. Peace and development will continue to be the most important goals for Beijing's economic modernization and foreign policy agendas; war contravenes the goals of economic modernization.

Second, US forward deployment in the Asia-Pacific region and Washington's close security alliances and mechanisms of cooperation with the states of East Asia will

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<sup>28</sup> Interviews in Taiwan in May 2005.

<sup>29</sup> See 'Has China blundered?' *The Economist*, 31 March, 2005, <http://www.taiwandc.org/economist-2005-04.htm>.

<sup>30</sup> Chen Yali. Hagt, Eric. Anti-secession Law: Provocation or Compromise? *China Brief*, Vol. V, Issue 1, 4 January, 2005.

<sup>31</sup> *People's Daily Online*, 3 July, 2005 <<http://www.politicalaffairs.net/article/view/751/1/81>>.

deter China from attacking Taiwan. For the immediate future, China's military strength is not adequate to win a decisive military victory in the Taiwan Strait over the US. Although China has strengthened its military capability with a two digit budget which it increases annually,<sup>32</sup> this does not necessarily mean that China has the intention to invade Taiwan in the foreseeable future.

Third, one cannot fail to observe the closer economic integration that has been occurring across the Taiwan Strait during the last decades. Taiwan has invested substantially in China. By 2004, Taiwan's investments on the Mainland were estimated to be between US\$100 to 150 billion, with 60'000 Taiwanese companies providing more than one million jobs in China.<sup>33</sup> This closer economic nexus makes it improbable that China will attack Taiwan. Current Taiwan Strait relations can be characterized as 'economically hot' but 'politically cold'. One also observes growing connections between people in China and Taiwan. This, too, would make it more difficult for China to contemplate making any impetuous move which might undermine the Cross-Strait status quo.

Fourth, war over the Taiwan Strait would incur huge economic, political and social costs. War would inevitably involve the US and to some extent Japan and in the process of hostilities or armed conflicts, China would be alienated from its three most important trading partners, that is the US, Japan and the EU, upon which the country's continued high economic growth depends. Without high economic growth, millions of Chinese workers would be unemployed, which in turn would trigger large social upheavals, undermining the CCP's rule.<sup>34</sup> Should armed conflicts with the US persist

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<sup>32</sup> See Richard A. Bitzinger, 'Analyzing Chinese Military Expenditures', in Stephen J. Flanagan and Michael E. Marti. (August 2003) *The People's Liberation Army and China in Transition*, Center for the Study of Chinese Military Affairs, Institute for National Strategic Studies, the National Defense University, Washington DC, pp. 117-197. According to the official Chinese state budget, defence spending in 2005 will rise by 12.6% to about \$30billion, a double digit expenditure seen over much of the last 15 years, see Mail & Guardian Online, 1 November, 2005, <[http://www.mg.co.za/articlePage.aspx?articleid=254348&area=/breaking\\_news/breaking\\_news\\_\\_international\\_news](http://www.mg.co.za/articlePage.aspx?articleid=254348&area=/breaking_news/breaking_news__international_news)>. See also *The Straits Times*, 5 November, 2005.

<sup>33</sup> Central News Agency, 30 June, 2005, <<http://www.globalsecurity.org/wmd/library/news/taiwan/2005/taiwan-050630-cna03.htm>>; see also Wayne, M. Morrison, "China's Economic Conditions", Updated July 1, 2005, CRS Issue Brief for Congress, Foreign Affairs, Defense and Trade Division p.CRS-5, <<http://www.fas.org/sgp/crs/row/IB98014.pdf>>.

<sup>34</sup> See Wolf, Charles. China's Rising Unemployment Challenge, Rand Commentary, 7 July, 2004, <<http://www.rand.org/commentary/070704AWSJ.html>>; see also Press Release of the International

over a period of time, this might lead to the collapse of the CCP's authority, or, at the very least, to intense power struggle within the Party leadership over Taiwan and Sino-US relations.

Fifth, an invasion of Taiwan by China might be used to justify massive Japanese rearmament and trigger that revival of Japanese militarism which China fears.

Sixth, there has developed a common consensus among the Chinese people and their leadership to pursue peace and avoid war. After many decades of economic backwardness, Chinese leaders are averse to war and have a deep psychological fear of chaos and disorder in China. Article 5 of the ASL clearly expressed this feeling as it states that 'to reunify the country through peaceful means best serves the fundamental interests of the compatriots on both sides of the Taiwan Straits. The state shall do its utmost with maximum sincerity to achieve a peaceful reunification'.<sup>35</sup> War is only a last resort to be employed if all peaceful means to achieve reunification have been exhausted.

In short, China's leadership is rational and calculative. War would incur costs larger than pursuing peace. So far, no evidence has suggested that Chen Shui-bian intends to cross the set boundary, even though the fundamentalists within the DDP and the TSU may adopt brinkmanship tactics, such as, for example, advocating to change the name of the Republic of China to the Republic of Taiwan, to test China's limits of tolerance.

## **V. Why does China desire to seek unification?**

First, Taiwan represents a very sensitive problem which has deep seated emotional and nationalistic origins. It has reminded Chinese leaders, for more than one hundred and fifty years, of the humiliation by the Western powers and Japan since the Opium Wars in the 1840s. Taiwan represents the last symbol of this humiliation for China's rising nationalism. The CCP leaders would like to close this chapter of history if possible, hopefully, without external intervention by the US.

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Labour Organization (ILO/04/16): China Forum to address employment, migration issues: Unprecedented meeting to consider strategy for meeting challenges of globalization, <<http://www.ilo.org/public/english/bureau/inf/pr/2004/16.htm>>; Chinanews, 6 March, 2005, <<http://www.chinanews.cn/news/2004/2005-03-06/2238.shtml>> and Joseph, Fewsmith. China's Domestic Agenda; Social Pressures and Public Opinion, *China's Leadership Monitor*, Spring 2003, Issue 6.

<sup>35</sup> See appendix 1, article 5.

No current CCP leader can afford to be blamed for Taiwan. Not only would this undermine the legitimacy of his leadership, but he would go down in history condemned by the Chinese people. No Chinese leader will ever want to be a 'Chinese Habibie the Second', a reference to former President Rudy Habibie of Indonesia,<sup>36</sup> who granted the wishes of the people in the referendum for East Timor in June 1999.

Second, the Taiwan issue has serious implications for China's domestic unity. The loss of Taiwan might invite minority groups, such as the Uighurs in Xinjiang, the Tibetans and the inhabitants of the islands in the South China Sea to secede. Thus mishandling the Taiwan issue could have serious implications and spill over to peripheral areas.

Third, Taiwan is a litmus test for future Sino-US-Japan relations, particularly so in the strategic dimension.

Fourth, Taiwan is strategically important to China because of its location near the South China Sea and the East Sea. Taiwan could be used as a forward naval base to expand China's grand maritime strategy in the 21<sup>st</sup> century.

Fifth, in the economic sphere, Taiwan is important for China's modernization and development. Taiwan's high tech economy is complementary to China's economic growth. In 2005, Taiwan's high tech companies are expected to generate revenues of about US\$122 billions.<sup>37</sup> Taiwan has significantly contributed to the growth of China's semiconductor industries with its good entrepreneurial culture and large pool of engineers and skilled technical workers. In this sense, Taiwan's economic success also represents a success for China. Together with Hong Kong, Taiwan can become an important partner in the Greater China economic union.

## **VI. Under what conditions might war break out over the Taiwan Strait?**

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<sup>36</sup> The then President Rudy Habibie of Indonesia granted the wishes of the East Timorese people in the referendum for East Timor in June 1999, which resulted in Indonesia's loss of East Timor as part of its territory.

<sup>37</sup> An estimate of between 40% to 80% of China's exports in information and communications hardware for instance are produced in Taiwanese-owned factories in China, and about 1 million Taiwanese live and work on the Mainland. See Business Week Online, 16 May, 2005, <[http://www.businessweek.com/magazine/content/05\\_20/b3933011.htm](http://www.businessweek.com/magazine/content/05_20/b3933011.htm)>; see also *The Straits Times*, 1 March 2003 and Xinhua News Agency, 15 June 2002, <<http://www.china.org.cn/english/DO-e/34661.htm>>.



First, China has consistently been making it clear that war will break out if Taiwan declares independence. To Beijing, independence will mean deviating from the principle of 'One China'. Thus any constitutional change from the ROC to the Republic of Taiwan would be sufficient cause for China to attack Taiwan.

Second, from China's perspective, indefinite procrastination in negotiations for reunification would be another reason for war.

Third, a continuation of serious domestic and economic turmoil in Taiwan, undermining the wellbeing and basic livelihood of the people would be another reason for the PLA to intervene militarily.

Fourth, interference by foreign powers with the intention of helping Taiwan to break away from China would be regarded with the utmost gravity by Beijing. China will not tolerate any foreign power using Taiwan as a base to threaten China's national security. Beijing wants to avoid Taiwan being used as a strategic base by a rival power against China.

Fifth, the CCP leadership is convinced that the threat of war can serve an important psychological function to prevent Taiwan from seeking independence in the short term. The 'threat of war' has been part of China's strategy of using 'coercive diplomacy' to prevent Taiwan from breaking away from the Mainland. More importantly, Beijing hopes that the threat of war can discourage the US from trying to permanently keep Taiwan separate from the Mainland.

Finally, political and economic breakdown in China itself might encourage Beijing to use Taiwan as an excuse to divert domestic opinion from the failure of the CCP leadership.<sup>38</sup>

## **VII. Conclusion: An Assessment**

Despite China's passing of the ASL in March 2005, Cross-Strait political tensions have not intensified. The main reason is that China, Taiwan and the US share a

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<sup>38</sup> Nathan, Andrew and Ross Robert S. (1997) *The Great Wall and the Empty Fortress: China's Search for Security*, New York: W.W. Norton, p.10.

common consensus that is better to maintain the status quo in the Taiwan Strait. The three parties believe that peace in Cross-Strait relations is more important than armed conflict.

On the Chinese side, Hu follows the basic guidelines and grand strategic thinking of peace and development set by Deng Xiaoping in the early 1980s. There is no doubt that the Chinese leaders and people need 'peace dividends' so that China can concentrate on domestic economic growth and development. Hu thus prefers peaceful unification with Taiwan.

On the Taiwanese side, Chen Shu-bian also wants to pursue peace rather than promote armed conflict. Peace to Chen Shiu-bian means peaceful interdependence, mutual respect and coexistence with China. Thus Chen will oppose any non-peaceful solution to the Cross-Strait problem.

From the US perspective, peace means maintaining the status quo, i.e. neither independence nor unification. Any effort, either by Beijing or Taiwan, to upset the status quo will be unacceptable to the US. Thus the US insists that the uneasy Cross-Strait equilibrium should not be disturbed by either Taipei or Beijing. Hence a pattern of impasse over the Taiwan Strait is likely to persist in the foreseeable future with no signs of any major breakthrough on the horizon. China has yet to find new solutions to resolve the dilemma of its Taiwan policy. On the one hand, Beijing cannot reunify Taiwan with the Mainland, unless it decides to use force to incorporate the island as part of the PRC. Beijing cannot be sure that it would win a war if the US decided to intervene. The cost of using military means to unify Taiwan is too high and too risky. There is no guarantee that a military option would succeed in achieving the goal of unification. On the other hand, China cannot reunify Taiwan peacefully with the Mainland in the foreseeable future, unless Beijing meets the conditions as set by Taipei. As long as China continues to be ruled by a one party dictatorship and Taiwan enjoys its vibrant democracy, and more importantly, a better standard of living than the Mainland, there will be hardly any possibility of political integration between the two sides. Even if Beijing decides to engage in serious political reforms, moving towards democratization of its political system, there are still doubts about Taiwan's political interest to seek political integration with the Mainland. The practice of

China's 'One Country Two Systems' model in Hong Kong since 1997 does not give encourage Taiwanese confidence to accept Beijing's rule.

The fundamental problem for Beijing is that Taipei wants independence politically, culturally and socially, while seeking interdependence with China in the economic sphere. The fundamental difficulty for Beijing is how to convince the Taiwanese that China's rising nationalism is compatible with Taiwan's rising nationalism, which, in the perception of the current DPP President Chen Shui-bian, are mutually exclusive and not directly related to each other. The political culture and ideology of the CCP's leadership are very different from those of the DPP. The challenge for China therefore is how to reconcile this ideological gap before political integration can take place. The dilemma remains, 'what Beijing wants is political integration with economic and military autonomy for Taiwan.' Beijing wants political unity and can accept economic interdependence. However Taiwan prefers political independence, or better still, separation or independence while maintaining economic interdependence with China.<sup>39</sup> From the power perspective, the Cross-Strait impasse represents a classical asymmetrical power relationship between a big power which perceives itself as the center, while perceiving the small power as a mere a local authority. The theory of power asymmetry can help us in understanding the dynamics of Cross-Strait relations. The history of international relations shows that the temptation always exists for a bigger power with a backward economy to annex by force a smaller power which has an affluent economy and rich resources.<sup>40</sup> The classical example was the annexation of Kuwait by Iraq in 1990 which resulted in armed intervention by the US in 1991, and precipitated the collapse of Saddam Hussein's ambitions in Kuwait. Furthermore, China's temptation to absorb Taiwan by force may be growing, especially when the military strength of the larger power grows faster than the military capability of the weaker power.<sup>41</sup> This temptation will grow even further if the stronger and bigger power is faced with serious and irresolvable domestic political, economic and social crises. An invasion of Taiwan can thus be used as a red herring to cover up domestic crises and failures in China.

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<sup>39</sup> Shee Poon Kim. 'Cross-Strait Impasse: One Country Two Systems or One Country Three Systems?' *Ritsumeikan Journal of International Relations and Area Studies*, Vol.20, March 2002, p.39.

<sup>40</sup> Shee Poon Kim, 'Cross-Strait Impasse: One Country Two Systems or One Country Three Systems?' *ibid.*, p.39. See also Wu, Yu-Shan. 'Theorizing on Relations across the Taiwan Strait: nine contending approaches', *Journal of Contemporary China*, Vol. 9, No.25, November 2000, p.407.

<sup>41</sup> See Shee Poon Kim, 'Cross-Strait Impasse: One Country Two Systems or One Country Three Systems?' *ibid.*, p.39.

In the short and intermediate terms, political integration of China and Taiwan is unlikely to take place if political integration is defined as ‘a bond of community among people within the same political entity being held together by mutual ties which give the group a feeling of self-awareness and common identity’.<sup>42</sup> At the moment, political integration is unlikely to happen because the gap in self-awareness and identity between the two sides is too large.<sup>43</sup>

Tzong-Ho Bau’s study shows that political values and political attitudes between the two sides are negative indicators of political integration. Bau has used ten indicators to measure political integration between China and Taiwan. The results were shown as follows: ‘1) cultural homogeneity (positive); 2) geographical proximity (positive); 3) economic interdependence (positive); 4) political interdependence (negative); 5) social homogeneity (negative); 6) political values and political attitudes (negative); 7) consensus toward integration in social motivation (negative); 8) prospects of political participation after unification (negative); 9) downgrading the concept of sovereignty (negative); 10) experience of integration (negative).’<sup>44</sup>

Yu-shan Wu has proposed nine contending approaches for analyzing the dynamics of Cross-Strait relations, i.e. 1) divided-nation model; 2) integration theory; 3) power asymmetry model; 4) vote-maximizing model; 5) the developmental state paradigm; 6) strategic triangle theory; 7) systems theory; 8) political psychology theory; 9) cognitive approach.<sup>45</sup> While all these nine approaches have their intrinsic heuristic values, the integration theory appears to be the more suitable in helping us to analyze the Cross-Strait relations. The Cross-Strait impasse is complex and complicated and it is not purely an internal matter between Beijing and Taipei, as claimed by China. Theoretically, the impasse can be studied from the perspective of international

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<sup>42</sup> Tzong-Ho Bau. ‘The Basic Problems Across the Taiwan Strait: A Case Study in Terms of Theoretical and Policy Analysis,’ XVII World Congress of the International Political Science Association, August 17-21, 1997, Seoul, p.13. See also Shee Poon Kim, ‘Cross-Strait Impasse: One Country Two Systems or One Country Three Systems?’ *ibid.*, p.39.

<sup>43</sup> See Shee Poon Kim, ‘Cross-Strait Impasse: One Country Two Systems or One Country Three Systems?’ *op. cit.*, p.39.

<sup>44</sup> Tzong-Ho Bau. ‘The Basic Problems Across the Taiwan Strait: A Case Study in Terms of Theoretical and Policy Analysis,’ XVII World Congress of the International Political Science Association, August 17-21, 1997, Seoul, *op. cit.*, p.13; see also Shee Poon Kim, ‘Cross-Strait Impasse: One Country Two Systems or One Country Three Systems?’ *ibid.*, p.39.

<sup>45</sup> See Wu, Yu-shan, ‘Theorizing on Relations across the Taiwan Strait: nine contending approaches’, *op. cit.*, pp. 407-428.

political economy, particularly in the context of the political economy of integration. The Cross-Strait impasse represents a case study of economic integration between the markets of both sides while political integration of states remains a distant goal. In the short and the intermediate terms, economic integration may not necessarily lead to political integration. However, the closer complex market interdependence can provide a basis for long term political integration. This is very much an articulation of the neo-functionalism theory of integration, i.e. economic integration can spill over to political integration.

The close economic integration between the two sides can be seen from both trade and investment data. In 2004, the total trade between China and Taiwan was more than US\$78billion dollars.<sup>46</sup> In 2004 alone, Taiwanese companies invested US\$6.94billion in China.<sup>47</sup>

However the governments of both sides, particularly the DPP in Taiwan under Chen Shui-bian's leadership have been stumbling blocs as they have intervened in the market forces and mechanisms, adopting political and administrative measures to prevent closer economic cooperation and integration of the two economies. The policy of 'go slow and be patient' initiated by former President Lee Teng-Hui has continued to be implemented by Chen in the name of 'effective management' policy.

With China's economy moving toward regionalization and globalization, and China's growing importance as a regional player in the formation of an East Asian Economic Community (EAEC) in the next twenty years, how does this emerging trend of East Asian economic regionalism<sup>48</sup> affect Cross-Strait relations?

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<sup>46</sup> *People's Daily Online*, 10 May, 2005,

<[http://english.people.com.cn/200505/09/eng20050509\\_184200.html](http://english.people.com.cn/200505/09/eng20050509_184200.html)>. For trade data between China and Taiwan (1987-2000) see: Greg, Mastel. 'China, Taiwan, and the World Trade Organization', *The Washington Quarterly*, Summer 2001, Vol. 24, No. 3, p.47; for trade data from 2000-2004, see *China Statistical Yearbook 2002*, p.617; *China Statistical Yearbook 2003*, p.659; *China Statistical Yearbook 2004*, p.719; *China Statistical Yearbook 2005*, p.631, China Statistics Press, National Bureau of Statistics, Beijing, 2002, 2003 2004 2005.

<sup>47</sup> George Zhibin Gu. Federation could be win-win for China, Taiwan, *Asia Times Online*, 11 May, 2005, <<http://www.atimes.com/atimes/China/GE11Ad01.html>>.

<sup>48</sup> For more details see Shee, Poon Kim. 'Building an East Asian Community: an ASEAN Perspective', in K. Nishiguchi ed., *Building an East Asian Community*, Institute of International Relations and Area Studies, Ritsumeikan University, forthcoming, 2005.

For the last five years, since the beginning of the 21<sup>st</sup> century, Taiwan has seen its economic comparative competitiveness and comparative advantages slowly eroding. Taiwan's economic growth forecast for 2005 and 2006 (3.7% and 4% respectively), will be one of the lowest in East Asia after Japan (1.3% for both 2005 and 2006). Its economic growth is even behind the Philippines which is expected to reach 4.7% (2005) and 4.6% (2006).<sup>49</sup>

The reasons for Taiwan losing its economic competitiveness are varied, ranging from domestic political uncertainty to tensions in Cross-Strait relations to the hollowing out of its manufacturing sector, migration of professional elites, bureaucratic inertia, loss of confidence of the middle-class in Chen Shui-bian's leadership of the DPP, to weaknesses in the equity and the property markets and finally the growing competitive challenges from the neighboring economies such as, for example, Korea.

Thus one of the important challenges for Taiwan is how to minimize its internal economic weaknesses and take advantage of China's economic growth and the regionalization of the ASEAN economy to emerge as an active player promoting regional economic integration in East Asia. In order to achieve this goal, Taiwan needs a statesman who can mobilize the full political support of its twenty-three million citizens and to work together with China and the regional economies to increase its economic competitiveness for the benefit of its people and the region as a whole.

In conclusion suffice it to argue that the probability of the Cross-Strait impasse leading to war before 2008 is low under Chen Shui-bian's leadership although some of the DPP's radical factions and the TSU are advocating independence for Taiwan by that date.<sup>50</sup> These independence proponents argue that the time of '2008' will be right because Beijing, as the host of the 2008 Olympics will not dare to declare war against Taiwan. Such a scenario, however, underestimates China's resolve and determination to unify Taiwan at any cost. In short, although the risk of war is minimal,<sup>51</sup> the

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<sup>49</sup> *China Daily*, (Taiwan) 19 August, 2005.

<sup>50</sup> Interviews in Taiwan from March to June 2005.

<sup>51</sup> See Chen-yuan Tung. 'An Assessment of China's Taiwan Policy under the Third Generation Leadership', *Asian Survey*, May/June 2005, Vol. 45, No. 3, pp.343-361.

impasse will continue to persist over the Taiwan Strait in the foreseeable future. The Taiwan Strait remains a potential dangerous flashpoint of armed conflict in East Asia.

## China's Foreign Trade with Taiwan

2000-2004

(US\$ 10 000)

YEAR	TOTAL	EXPORTS	IMPORTS
2000	3,053,256	503,900	2,549,356
2001	3,233,969	500,024	2,733,945
2002	4,464,711	658,572	3,806,139
2003	5,836,447	900,409	4,936,038
2004	7,830,374	1,354,443	6,475,932

Source: *China Statistical Yearbook 2002*, p. 617; *China Statistical Yearbook 2003*, p.659; *China Statistical Yearbook 2004*, p.719; *China Statistical Yearbook 2005*, p.631, China Statistics Press, National Bureau of Statistics, Beijing, 2002, 2003 2004 2005.

## Appendix 1

### Full text of Anti-Secession Law

The following is the full text of the Anti-Secession Law adopted at the Third Session of the Tenth National People's Congress Monday, March 13, 2005:

#### Anti-Secession Law

(Adopted at the Third Session of the Tenth National People's Congress on March 14, 2005)

Article 1 This Law is formulated, in accordance with the Constitution, for the purpose of opposing and checking [Taiwan](#)'s secession from China by secessionists in the name of "Taiwan independence", promoting peaceful national reunification, maintaining peace and stability in the Taiwan Straits, preserving China's sovereignty and territorial integrity, and safeguarding the fundamental interests of the Chinese nation.

Article 2 There is only one China in the world. Both the mainland and Taiwan belong to one China. China's sovereignty and territorial integrity brook no division. Safeguarding China's sovereignty and territorial integrity is the common obligation of all Chinese people, the Taiwan compatriots included.



Taiwan is part of China. The state shall never allow the "Taiwan independence" secessionist forces to make Taiwan secede from China under any name or by any means.

Article 3 The Taiwan question is one that is left over from China's civil war of the late 1940s.

Solving the Taiwan question and achieving national reunification is China's internal affair, which subjects to no interference by any outside forces.

Article 4 Accomplishing the great task of reunifying the motherland is the sacred duty of all Chinese people, the Taiwan compatriots included.

Article 5 Upholding the principle of one China is the basis of peaceful reunification of the country.

To reunify the country through peaceful means best serves the fundamental interests of the compatriots on both sides of the Taiwan Straits. The state shall do its utmost with maximum sincerity to achieve a peaceful reunification.

After the country is reunified peacefully, Taiwan may practice systems different from those on the mainland and enjoy a high degree of autonomy.

Article 6 The state shall take the following measures to maintain peace and stability in the Taiwan Straits and promote cross-Straits relations:

- (1) to encourage and facilitate personnel exchanges across the Straits for greater mutual understanding and mutual trust;
- (2) to encourage and facilitate economic exchanges and cooperation, realize direct links of trade, mail and air and shipping services, and bring about closer economic ties between the two sides of the Straits to their mutual benefit;
- (3) to encourage and facilitate cross-Straits exchanges in education, science, technology, culture, health and sports, and work together to carry forward the proud Chinese cultural traditions;
- (4) to encourage and facilitate cross-Straits cooperation in combating crimes; and
- (5) to encourage and facilitate other activities that are conducive to peace and stability in the Taiwan Straits and stronger cross-Straits relations.

The state protects the rights and interests of the Taiwan compatriots in accordance with law.

Article 7 The state stands for the achievement of peaceful reunification through consultations and negotiations on an equal footing between the two sides of the Taiwan Straits. These consultations and negotiations may be conducted in steps and phases and with flexible and varied modalities.



## Appendix 2

### "Jiang's eight-point proposition" (1995)

On January 30, 1995, at a New Year party given by the Taiwan Work Offices under the Central Committee of CPC and the Taiwan Affairs Office of the State Council, President Jiang Zemin delivered a speech entitled "*continue to promote the Reunification of China*". He stated his views and eight-point proposition on a number of important questions that have a bearing on the development of relations between the two sides and the promotion of a peaceful reunification of the motherland.

The eight points are:

1. Adherence to the principle of one China is the basis and premise for peaceful reunification. China's sovereignty and territory must never be allowed to suffer division. We must firmly oppose any words or actions aimed at creating the "independence of Taiwan" and propositions that run counter to the principle of one China such as "two split sides with separate administrations", "two Chinas over a period of time" and so on.
2. We do not challenge development of non-governmental economic and cultural ties by Taiwan with other countries. However, we oppose Taiwan's activities in "expanding" its "international living space" which aim to create "two Chinas" or "one China, one Taiwan".
3. It has been our consistent stand to hold negotiations with the Taiwan authorities on the peaceful reunification of the motherland. As the first step, negotiations should be held and an agreement reached on officially ending the state of hostility between the two sides in accordance with the principle that there is only one China. On this basis, the two sides should undertake jointly to safeguard China's sovereignty and territorial integrity and map out plans for the future development of their relations.
4. We should strive for a peaceful reunification of the motherland since Chinese should not fight Chinese. Our not undertaking to give up the use of force is not directed against our compatriots in Taiwan, but against the schemes of foreign forces to interfere with China's reunification and to bring about the "independence of Taiwan."
5. Great efforts should be made to expand economic exchanges and cooperation between the two sides to as to achieve prosperity for both to the benefit of the entire nation. We maintain that political differences should not affect or interfere with economic cooperation between the two sides. We will safeguard the legitimate rights and interests of industrialists and businessmen from Taiwan under whatever circumstances. Since direct links for postal, air and shipping services and trade between the two sides are an objective requirement for their economic development and contacts in various fields, and since such links serve the interests of people on both sides, it is absolutely necessary to adopt practical measures to speed up the establishment of such direct links.

6.The splendid culture of 5,000 years created by the sons and daughters of all ethnic groups of China has become ties that keep the entire Chinese people close at heart. It constitutes an important basis for a peaceful reunification of the motherland. People on both sides of the Taiwan Straits should jointly inherit and carry forward the fine traditions of Chinese culture.

7.We should fully respect Taiwan compatriots' lifestyle and their wish to be the masters of their own destiny and protect all their legitimate rights and interests. All parties and personages of all circles in Taiwan are welcome to exchange views with us on relations between the two sides and on peaceful reunification. They are also welcome to visit and tour the mainland.

8.Leaders of the Taiwan authorities are welcome to visit the mainland in appropriate capacities. We are also ready to accept invitations to visit Taiwan. The affairs of the Chinese people should be handled by Chinese themselves, something that does not take an international occasion to accomplish.

*By People's Daily Online 27 January 2005 at*  
[http://english.people.com.cn/200501/26/eng20050126\\_172025.html](http://english.people.com.cn/200501/26/eng20050126_172025.html)

