

THE BALANCE OF POWER IN THE TAIWAN STRAIT: AN ASSESSMENT

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ABSTRACT

This paper argues that the passage of the Anti-Secession law in March 2005 was a logical step forward by the Chinese to restore what they perceived as an imbalance of power across the Taiwan Strait. A chain of events prior to the bill suggested that Taiwan had gained an upper hand with regards to the Taiwan issue due mainly to the developing US – Taiwan relationship and Taiwan's strong pro-independence position under the Democratic Progressive Party (DPP). The passage of the Anti-Secession law told the world that China would not allow Taiwan to secede and that the Chinese were willing to fight for this cause. The Chinese have long held the position that Taiwan is part of China. They consider reunification with Taiwan to be a principled issue of national unity, sovereignty and territorial integration of the motherland, an issue of critical importance to China's national interest. The election of Ma Ying-Jeou as Taiwan's President in March 2008 was at least marked by a temporary reduction of tension across the straits. However, the new president's efforts to foster a closer relationship with mainland China have not generated as much of a positive impact. Hence, tension across the Taiwan Strait remains intense.

Keywords: realism, Taiwan, China, Anti-Secession Law

INTRODUCTION

On 17 December 2004, the Standing Committee of the Chinese National People's Congress (NPC) announced the inclusion of the Anti-Secession law in its legislative agenda for the March 2005 session. A draft of the law was submitted for consideration in the 25–29 December 2004 NPC Standing

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Committee Session. The Anti-Secession Law was passed in the third session of the NPC on 14 March 2005 by 2,896 votes to zero votes with two abstentions. From China's perspective, the law aimed to reassert the aim of a peaceful reunification between Taiwan and the mainland. As Premier Wen Jiabao said, "It is not a law for war but for the peaceful reunification of the motherland". He added, "so long as there is a glimmer hope for peaceful reunification, we will exert our utmost to make it happen rather than give up". The law came into enforcement on 14 March 2005 when President Hu Jintao signed the presidential order.

The Chinese politicians and media repeatedly highlighted the fact that merely two of the ten articles (Article 8 and Article 9) emphasised the possibility of using non-peaceful means. Article 8 in particular states that the Chinese state "shall employ non-peaceful means" in three contexts if Taiwan secedes, if "major incidents entailing Taiwan's secession from China should occur", or if the "possibilities for a peaceful reunification should be completely exhausted". Three-fourths of the Anti-Secession law were devoted to the promotion of a peaceful unification of Taiwan and the motherland and the development of bilateral ties. In contrast, former Taiwan President Chen Shui-bian claimed on 16 March 2005 that the Anti-Secession law was an "invasive" bill and a "law of aggression". Chen's Democratic Progressive Party (DPP) and its ally, the Taiwan Solidarity Union (TSU), portrayed the law as "a war mobilisation order" to authorise the Mainland to attack Taiwan at any time (Xing 2005). The DPP and TSU led a demonstration in Taipei on 26 March 2005 to protest the law. DPP's Chen Shui-bian, Annette Lu, Frank Hsieh and Su Tseng-Chang and former President Lee Teng-hui participated in the demonstration, while opposition parties like Kuomintang (KMT), the People First Party (PFP) and the New Party were absent, although some of their supporters joined the march.

The Anti-Secession Law reaffirms China's position on One-China policy, a domestic declaration that Taiwan is part of China. Taiwan has rejected it categorically, claiming that all issues, including the One-China policy should be negotiated without any preconditions. The Anti-Secession Law was not intended to achieve unification across the Taiwan Strait *per se*, although China is insisting that Taiwan must eventually reunify with China. For example, by changing the title of the law from the proposed National Reunification Law and not inserting a timetable for eventual reunification, Beijing indicates that it prefers maintaining the status quo to resolving the Taiwan problem hurriedly. This could be the result of possible military confrontation with the US and China's preoccupation with strengthening its economic power (Bellows 2005; Tang 2006).

This paper argues that the passage of the Anti-Secession law by mainland China was a measure intended to restore the balance of power across the Taiwan Strait. A chain of events prior to the bill suggested that Taiwan had gained an upper hand with regards to the Taiwan issue due mainly to the improved US — Taiwan relationship (which strengthened pro-independence movements) and the Taiwanese's own commitment to expanding their military capabilities and establishing a new Taiwanese identity. The passage of the Anti-Secession law told the world that China would not allow Taiwan to secede. The paper further asks whether the objective of the Anti-Secession Law has been met. The Balance of Power theory stipulates that security is enhanced when military power is distributed fairly evenly to prevent a single hegemon or bloc from controlling the region. Hence, success in the context of the Balance of Power theory translates into stability in the cross strait, although it does not mean a complete absence of tension. By concentrating on the 5-year period following the passage of the Anti-Secession Law, this paper traces the development of cross-strait relations, including the period of power transition in Taiwan from Chen to Ma Ying-jeou. The paper concludes that the Balance of Power theory is largely supported. It argues that the Anti-Secession Law helped to stabilise cross-strait relations during the 2005–2008 period, in which the Chen government remained in power although the muted support for Chen from the US played a role as well. Tension, however, remains. The election of Ma Ying-Jeou as Taiwan's President in March 2008 has at least been marked by a temporary reduction of tension across the Taiwan Strait, attributed almost exclusively to Ma's efforts to strengthen economic relations between mainland China and Taiwan. However, his efforts to foster a closer relationship with mainland China have not generated as much positive impact as one might have expected. Bearing in mind that the 2012 Presidential Election in Taiwan is not too far away, granting too many concessions to Taiwan may create a backlash for mainland China if Beijing wants to revoke those concessions in the event that a less China-friendly political leader replaces Ma. The drop in popularity for Ma in Taiwan further raised doubts about the possibility of significant changes in China-Taiwan relations.¹

The rest of the paper is organised in the following manner: Section 2 provides a theoretical overview with particular reference to the doctrine of realism. Section 3 revisits the Taiwan Relations Act of 1979 and the US-

¹ Satisfaction with President Ma has fallen from 66% popularity in May 2008 to 33% in December 2009. Ma's popularity fell to a record low of 29% in August 2009 following the Morakot typhoon, which hit Taiwan in the same month <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=7296> (accessed 4 January 2010).

PRC Joint Communiqué of 1982. It identifies some areas of inconsistency in the US position on the Taiwan issue and illustrates the US's (particularly the US Congress's) continued support for Taiwan. Taiwan's own commitment to strengthening its military capabilities and promoting the view that Taiwanese are a distinctive community has caused further discomfort in Beijing. Both developments, as Section 4 argues, formed the justification for mainland China to expand its military capabilities and push ahead the Anti-Secession Law as a means to restore the balance of power. Section 5 describes the events following the passage of the law to ascertain the extent to which the law has met its objectives. Section 6 provides conclusion.

THEORETICAL OVERVIEW

Walt (1998: 29) claims that theories are needed "to make sense of the blizzard of information that bombards us daily". In the context of International Relations (IR), realism represents a major theory.² Realists view individuals and nation-states as self-interested actors that carry out cost-benefit analyses of all alternatives available to them so that they can choose the alternative that yields the highest net benefit. However, they may miscalculate from time to time because they operate in an environment with imperfect information. States are unitary in realism. This implies that any differences in viewpoints among political leaders or bureaucracies within the state are "ultimately resolved so that the state speaks with one voice" (Viotti and Kauppi 1998: 55). Exceptions to this practice are in relation to either *trivial* issues or relatively more serious issues that are corrected in "due course by the leadership" (Ibid.). The realist perspective is applicable to China-Taiwan relations to the extent that under conditions of uncertainty, the means of ensuring their independence is military power. China's military capability is much superior to Taiwan's, although the possible involvement of the US in military confrontations potentially rebalances the equation.

Realists argue that nation-states are concerned with relative power rather than absolute power. In effect, realism assumes different contexts of relative power; major powers, for example, compete to alter major powers, while regional powers seek to alter regional powers and so on. Even during peace time, countries are inclined to gain military power through arms control so as to deal with potential threats capable of undermining their

² The theory of realism is well suited to explaining the cross situation at least in the context of this paper. For an exposition of how other IR theories might be relevant, see Acharya (1999) and Friedberg (2005).

relative power. The need to do so derives from the argument that the world is anarchical. By this, realists suggest that there are no global governing bodies capable of maintaining peace at all times or preventing some states from attacking other states/each other. States claim their independent right and enact laws to maintain their sovereignty. In an anarchical system, a state under attack may not be able to seek help from other states. Even if it can, there is no guarantee that it will secure good help. As a consequence, it is necessary for states to adopt the self-help system, to build and use their own military force whenever necessary. As a state expands its military competencies, other nations' security is threatened because increased stability and power in one state translates to greater instability in other states. Realists term this phenomenon the security dilemma.

To neo-realists, the structure of the international system compels states to strengthen their power to survive in the anarchical system. They identify the characteristics of a system according to the distribution of power or capabilities among states categorised as unipolar, bipolar or multipolar. Polarity is measured in the number of great powers. The Cold War period was characterised by a bipolar system, with the US and the Soviet Union as the two great powers. When the Cold War ended, the USA emerged as the sole great power. The relevance of China is that the rise of China might be seen as the most plausible challenge to a hegemonic or unipolar position for the US. Whether one refers to Zakaria's (2008) "Post-American World" or Mahbubani's (2008) "New Asian Hemisphere", a common feature prevails: China will play an increasingly prominent role in defining the world order in the twenty-first century. The combined and increasing economic and military might of the Chinese enhance their ambitions for Taiwan such that even the superior American conventional forces cannot deter them.

According to Waltz (2002: 30), competition is more complicated in a multipolar system "because uncertainties about the comparative capabilities of states multiply as numbers grow, and because estimates of the cohesiveness and strength of coalitions are hard to make". In a bipolar system, on the other hand, each is bound to focus its fears on the other, encouraging the states to behave defensively to maintain the balance of power. Mersheimer (1998: 339) argues that it was the balance of power between the US and the Soviet Union that provided the key to stability during the cold war, not NATO *per se*. With the Soviet Union collapsed, NATO must either "disappear or reconstitute itself on the basis of the new distribution of power in Europe" (Ibid.). Waltz's "structural realism" assumes that great powers are not inherently aggressive; Waltz starts by assuming that states merely seek security to survive. Anarchy encourages

states to seek power because power is the best means to survival. Although it is never known in reality whether there is an equal distribution of power, the important thing is that there is recognition of balancing behaviour among the nation-states. Balancing is a process, not an outcome. Because the US is a great power, the entry of the US and its commitment to protecting Taiwan complicates the Taiwan issue. This will necessarily mean friction because both China and the US have their own conception of what is the right thing for Taiwan. A situation involving three actors is inherently unstable because of the difficulties in accurately assessing the balance. If US—Taiwan relations are believed to be strong, Taiwan may bid for independence now rather than at some point in the future when Chinese military capabilities have expanded even further, possibly triggering other secessionist movements in Tibet, Xinjiang and Inner Mongolia. A neo-realist response to the situation would be for the Chinese to rebalance the triangle with measures such as weapons acquisition and the passage of the Anti-Secession law.

It is also useful to note that the realists have a less rosy view of the idea of economic integration as a promoter of peace. In this way, they are unlike the economic liberals who have argued that the expansion of economic linkages promotes a dense network of communication to reduce misunderstanding and foster peaceful commercial exchanges (Deutsch et al. 1957). To the realists, trade produces relations of dependence, which can create a great amount of conflict. For example, economic integration can raise the likelihood of military confrontation among trading nations as they seek to gain or maintain their access to vital resources to acquire wealth and power in an anarchical society (Waltz 1979). In the case of China, it is true that the mainland has pledged to take on a more responsible role as a member of the international community. In particular, China's economic integration with the world since the late 1970s may correspondingly reduce its willingness to use force and coercion. However, the passage of the Anti-Secession law as recently as 2005 and the nuclear arms threat by Chinese generals challenge this notion. China's rapidly growing economy has made it easy for it to strengthen its military capabilities, as indicated by the growth in China's spending in arms and weapons. As state capabilities expand, leaders define their interests more expansively and seek to influence what is going on around them. The use of the term "peaceful rise" by the Chinese further alluded to the Chinese expansion of power in the global arena. As reported in Cho and Jeong (2008: 469), the use of the term "peaceful rise" and not "peaceful development" indicated the shift in the power balance between states; "China's *rise* in international politics signifies the relative weakening of the leadership of superpowers such as the US and

Japan, while China's *development* implies the possibility of parallel development with existing superpowers".

Realism has been utilised to explain the cross-strait situation (Acharya 1999; Christensen 2001; Friedberg 2005; Ross 2006). This paper follows the line of argument proposed in the realism doctrine, paying particular attention to the Anti-Secession Law and the events surrounding its passage. The law warns of the consequences of the Republic of China's (ROC) declaring independence. *Independence* in the ROC context means the granting of diplomatic recognition by the international community and/or a constitutional change in the ROC to create a political entity distinct from the government that has been ruling Taiwan since 1949. This would involve changing the regime's name and redefining its territorial boundaries, which are technical issues behind the declaration of *independence*. Each type of *independence* is unlikely to be successful without the support of the US. It is therefore constructive to analyse US — Taiwan relations.

US-TAIWAN RELATIONS

Richard Nixon's visit to China from 21–28 February 1972, during his first presidential administration (1969–1973), began a decade-long normalisation process for Washington and Beijing. During the visit, Deng Xiaoping asked the US to comply with three conditions in exchange for China's agreeing to the mutual establishment of diplomatic relations: (i) the removal of all American forces from Taiwan, (ii) the end of all official government ties and (iii) the abrogation of the 1954 Mutual Defence Treaty between the US and the ROC. From 1973–1978, the USA and China each maintained a non-diplomatic liaison office in the other's capital. On 15 December 1978, the Carter administration agreed to Deng's demand and recognised the People's Republic of China (PRC) as the sole representative of China. US would maintain only informal culture and commercial relations with the ROC. The agreement was later expressed in the US-PRC Joint Communiqué signed on 17 August 1982 during the Reagan presidency. In the communiqué, the US agreed to withdraw all military forces from Taiwan, and there would be no more official relationship with Taiwan following normalisation with China. The US only agreed to cease arms sales to Taiwan from 1980 onwards. The reason, according to Feldman (1998), was that the US wanted to preserve its national dignity by complying with previously engaged contracts and agreements.

Internally, the US Congress embarked on the journey to draft a law, realising that the State Department Bill that stated the Carter

administration's commitment to Beijing had said nothing about the security of Taiwan and its people. The US Congress wanted to correct the perceived *problem* through legislative action, and this resulted in the passage of the Taiwan Relations Act. The Act made changes to Carter's earlier commitments. For example, the act stipulated that arms would be made available to Taiwan "in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defence capability" and thus opposed Carter's agreement with Beijing that the US would not sell further arms to Taiwan from 1980 onwards.³ The Taiwan Relations Act signaled to China that the US was monitoring the situation and contested China's contention that the Taiwan issue was an internal matter to be solved by the Chinese from both sides.⁴

There were some indications of the US's adhering to the US-PRC Joint Communiqué in the early years, as seen in the drop in arms sales to Taiwan from USD800 million in 1983 to USD660 million in 1990. However, thereafter, the assistance provided to the island increased remarkably. In 1992, for example, Washington agreed to sell 150 F-16 fighter aircrafts to Taiwan. On 22 February 2000, the US Congress passed the Taiwan Security Enhancement Act to strengthen US-Taiwan military relations through deeper interaction related to operational matters and military training. In April 2001, with the support of the Taiwan Security Enhancement Act, the Bush administration offered arms to Taiwan that were more extensive in terms of both quantity and quality. The offer was unusually large, comprised of eight diesel-electric submarines, four Kidd-Class guided missile destroyers, and twelve P-3C patrol and anti-submarine aircrafts, along with 155 mm howitzers, minesweeping helicopters, torpedoes, Harpoon anti-ship missiles, and amphibious assault vehicles. The two-decade ban on sales of submarines to Taiwan was lifted. After the April 2001 offer, the US encouraged Taiwan to buy even more weapons, including the Patriot PAC-3 anti-missile system, advanced ground-based and satellite-based radars, and a C4ISR (command, control, communications, computers, intelligence, surveillance' and reconnaissance) network that would allow Taiwan's different armed services to share real-time data. The USA intended to offer the Taiwanese military weapons that

³ The situation reflects the power of a subgroup as opposed to the paradigm of unitary states in the realm of foreign policy as supported by the realists. See Sterling-Folker and Shinko (2005) for more on this topic.

⁴ Feldman (1998) reported that Carter was not pleased with the act when it was placed on his desk. He considered vetoing the bill but was advised that the votes in the House (339–350) and the Senate (85–94) indicated that "such a veto probably would be overridden. In the end he signed it".

would "give Taiwan potent offensive strike capabilities to attack targets on the Chinese mainland" (Swaine 2004: 8; emphasis added).

Besides providing major weapons and support systems, the US Department of Defence conducted over a dozen assessments and simulations to study Taiwan's ability to defend itself against air attacks, naval blockages and military landings.⁵ The US sent representatives to Taiwan during the latter's annual military exercises to advise Taiwan on war-fighting issues. To facilitate supervision, coordination and cooperation between Washington and Taiwan's defence forces, the Ministry of National Defence (Taiwan) formed a unified window or coordination unit dubbed the US-Taiwan Military Cooperation Group on 1 May 2002 under Vice Admiral Lee Hai-tung. With US assistance, the quality of the ROC armed forces has increased over the years. Swaine (2004: 10) claims that the individual ROC front-line military units are "well respected, their operators well trained" — "in some notable cases, [they function] at a higher level of readiness, and the equipment on major weapons platforms such as surface ships is well maintained (*Central News Agency* 2003)". The US position was that weapon sales and military assistance to Taiwan was the right thing to do to *balance the power that favours freedom* and ensure adequate defence for Taiwan as required by US domestic law. As Assistant Secretary of Defence Peter Rodman told the US House of Representatives on 21 April 2004:

The President's National Security Strategy, published in September 2002, calls for "building a balance of power that favours freedom". Taiwan's evolution into a true multi-party democracy over the past decade is proof of the importance of America's commitment to Taiwan's defence. It strengthens American resolve to see Taiwan's democracy grow and prosper (Tkacik 2005).

Taiwan's own commitment to strengthening its military and defence power and establishing a new Taiwanese identity over the years further challenged China's desire for reunification with Taiwan. In the mid 1990s, Taiwan committed a total of USD12.5 billion to arms imports, making itself second only to Saudi Arabia on the list of top arms purchasers (McClaran 2000). Taiwan had acquired arms and weapons from as many as twenty

⁵ One such simulation was carried out in April 2005. A computer-simulated war game confirmed that Taiwan's naval fleet — led by US-built Kidd-Class destroyers — could hold on for at least two weeks in the event of a mainland Chinese attack. The five-day simulation test observed that a Kidd-Class destroyer was able to shoot down 19 missiles and 16 Chinese jets before being hit. *The Straits Times*.

countries around the world before many of them succumbed to PRC pressure. France, for instance, offered Taiwan advanced weapons and equipment, including the Mirage Fighters, before succumbing to PRC pressure in 1994. It was reported that the Mirage Fighter 2000-5s, together with USA F-16s, and 130 indigenous Ching-Kuo fighters, were capable of providing Taiwan's Air Force with "a decisive advantage over China's aged but numerically superior People's Liberation Army Air Force" (McClaran 2000: 625). As was mentioned, Taiwan continued to receive arms and weapons from the US. However, owing to the strong opposition from Pan-Blue legislators who held a majority in Legislative Yuan, the DPP did not purchase the complete arms package from the US. The assumption that US intervention was probable in the event of a cross-strait conflict further contributed to Taiwan's reluctant to approve funding. However, some progress was made in May 2003 when Taiwan finally gave the go-ahead to purchase four Kidd-class destroyers to enhance its naval capabilities.

The concern regarding Taiwan's bid for independence escalated when Chen Chui-bian won the presidential election in 2000. Chen made a number of controversial decisions, such as altering the names of state-owned enterprise to emphasise "Taiwan" instead of the "Republic of China", inserting the name "Taiwan" into official correspondence from the Foreign Ministry and abolishing the symbolically important National Unification Council in February 2006. School textbooks were altered to put more emphasis on Taiwanese history, while 20th-century Chinese history was moved to the foreign history syllabus. In his 2007 New Year message, Chan stated that "Taiwan is not a part of China", which further raised China's concern regarding the relationship between mainland China and Taiwan because of what the mainland calls Taiwan's undeclared policy of "creeping independence" (Chai 2007: 38). Chen's administration took decisive measures to reduce the flow of investment from Taiwan to mainland China such as controlling the rising price of industrial land, relaxing pollution regulations and opening more sectors to the private sector as means of slowing down the outflow of investments to the mainland.⁶ Taiwanese firms were encouraged to shift some of their investments to Southeast Asian nations and India under the "Go South Policy". In January 2006, President Chen introduced the "Proactive management, effective liberalisation" policy to more actively regulate cross-strait trade. Describing the trade text relations between China and Taiwan as "slow suicide". The new policy attempted to control high-tech exports of Taiwanese firms to China,

⁶ It has been estimated that about 65% of Taiwan's outward foreign direct investment entered the mainland, while accumulated direct investments by Taiwanese businessmen have reached around USD100 billion. (Clark 2002; Chen 2004).

screening product items in investment projects and monitoring and auditing China-investing Taiwanese companies to catch investors who had violated government rules. The controversial decisions were made despite strong protests from the Taiwan business sector and the international observers for fear that they would further hinder Taiwan's economic progress. For example, US Trade Representative Karan Bhatia warned Taiwan that its continued restriction of trade with mainland China would put the island at a "distinct competitive advantage" (*The Straits Times* 2006).

As Taiwan was democratised, its relations with mainland China became more unpredictable and dangerous. *Kowtowing* to the Chinese or agreeing to reunification is political suicide for any politicians vying for positions. In the 2000 presidential election, the three major candidates vying for the post were against the mainland's proposal of "one country, two systems" and formally positioned the ROC as an independent sovereign state and not a part of the mainland (Sheng 2001). They supported Lee Teng-hui's two-states theory, which pronounced Taiwan as an independent nation-state separated from the mainland. During his 2008 election campaign, Ma Ying-jeou famously pronounced the *three "no's formula"*: no unification, no independence and no armed conflicts. Indeed, after decades living as second-class citizens, first under the Japanese (from 1895–1945) and then under the Kuomintang, the natives in Taiwan desired greater control of their own destiny. The growth of an independent Taiwanese identity ("Taiwanese-ness") was profound. For example, by December 2008, survey data found that 51% of the island's citizens identified themselves as *exclusively* Taiwanese, while 41% called themselves Taiwanese and Chinese. Only 5% of the respondents described themselves as exclusively Chinese (Shlapak et al. 2009: xiv). Lieberthal (2005: 59) points out that if independence is judged by a country's own people accepting the view that "they are a distinctive community constituting an independent political entity", then Taiwan has already won the game because there is a widespread and growing sense of independent identity on the island.

In summary, a combination of US reinforcement and Taiwan initiatives to strengthen its military capabilities and promote an independent identity have imposed a threat on mainland China with regard to possible secession. Whether the secession threat can be sustained and cultivated has remained something of a moot question. However, if nothing is to be done and the threat becomes real, Chinese leaders run the risk of being labelled as *lishi zuiren* (a person condemned by history) for failing to prevent the separation of Taiwan from China. In this regard, it may be argued that in passing the Anti-Secession law, President Hu Jintao has left a positive mark

on China's history, demonstrating his willingness to commit himself to the use of force if things turn out badly.

CHINA'S POSITION

It is reasonable to conclude that US military assistance to Taiwan tilted the balance of power toward the US-Taiwan alliance. Because of its large physical size and military power, China is less afraid of Taiwan, but it may lose in a military confrontation if the US decides to defend the island. US total military expenditure recently accounted for nearly half the global figure, rising 12% in 2004 to USD455 billion. This was more than the combined total for the 32 next most powerful nations. China ranked fifth at USD35.4 billion.⁷ To some observers, it seems that even a strong likelihood of losing the battle would not stop the Chinese from fighting. For example, Henry Kissinger (1996: C7) asserted that "Whatever the cost, China will fight rather than give up what it considers Chinese territory". The Chinese fixation on Taiwan, as Susan Shirk (2007: 185–86) explains, is largely cultivated in school textbooks and the media, which depict cross-strait relations as a "morality tale about China's exploitation by foreign powers (Japan and the US) during its period of weakness". Shirk predicts that the "century of humiliation" will not end "until China is strong enough to achieve reunification". Hence, destroying two US aircrafts and losing ten in the process will appear a victory to the Chinese if it is meant to fight for the cause of preserving Chinese national honour. Chu (1996: 100) puts the point this way:

They (the Chinese) know well that if they fight the world's sole superpower — especially a naval and air war in the Western Pacific — they would be at a disadvantage. However, the Chinese also know that today's China does have the capability to destroy some American troops, ships and aircraft, including aircraft carriers, in this region of the Western Pacific. For the Chinese, bravery in fighting a superpower when that power tries to bully China would itself constitute a victory; destroying two major ships would become a victory, no matter whether our opponents destroy eight or ten of our ships at the same time.

⁷ Information from the Stockholm International Peace Research Institute <http://www.sipri.org> (accessed 9 June 2005).

There are others who have argued that China would not pick a fight with Taiwan (and the US) because of its preoccupation with economic growth.⁸ Historically, however, this logic has been proven wrong in some cases. Germany, for instance, was growing rapidly by 1939, and yet Hitler started World War II. Likewise, Japan was enjoying rapid economic growth, and yet it started the conflict in Asia. As realists like Mearsheimer (2005) have pointed out, there are obviously other factors that are more important than economic considerations — like preserving sovereignty and territorial integration — and that may result in military confrontation, even when it hurts the participating states economically. The strong economic relations argument has also been rejected by Copeland (1996), who postulates that low *expectations* of future trade between states might provide leaders with a good reason to go to war so as to secure long-term security. One hastens to note that politicised economic management to restrict economic cooperation between the two economies, such as in Chen's 2004 "proactive management, effective liberalisation" initiative, may lead the other party to think that further economic gains can no longer be exploited to secure long-term economic security.

The passage of the Anti-Secession law was the Chinese's way of formalising their long-held position: a commitment to protecting China's sovereignty and territorial integrity even by means of non-peaceful measures. It formalised China's position concerning its relations with Taiwan: that it would not tolerate secession but would welcome reunification. It was also a means of "passing the ball to the Taiwanese side of the court", of saying that "we, the Chinese have made our position clear; now let us wait and see what can be done to improve cross-strait relations". As Shirk (2007: 205) puts it, the law serves to "legislate (China's) legal riposte to Taiwan's referendum (and to the US Taiwan Relations Act)", a law that would look "strong to the public, Taiwan, and the United States without tying Beijing's hands and awaking away all its wiggle room". To enhance security for the Chinese state, the Anti-Secession Law prepares for the best outcome (the reunification of Taiwan and mainland China) and avoids the worst-case scenario (Taiwanese independence).

How likely is it that the US will intervene and defend Taiwan if it is attacked? Brzezinski (2005) thinks that it is probable that the US would protect Taiwan. He warns, "...any Chinese military planner has to take into account the likelihood that even if China could overrun Taiwan, the US would enter the conflict. That prospect vitiates any political calculus

⁸ At the beginning of the 21st century, almost 75% of China's information technology exports came from Taiwan (Clark 2002: 756).

justifying military cooperation until and unless the US is out of the picture. And the *United States will not be out of the picture for a long, long time*" (emphasis added). Chu (1996) thinks likewise, nothing that Taiwan's embracing of the democratic system should attract the attention and support of Americans, who would compel their government to do something. However, it is fair to say that the US insists on the peaceful resolution of the Taiwan issue. If this is not possible, a status quo of non-unification and non-independence ought to be maintained. The US administration since Nixon has been willing to accommodate China's preference for having the US government push Taiwan toward reunification or at least stop it from moving further toward legal independence. Washington's position — as articulated in the Taiwan Relations Act — is that Beijing cannot expect the US to stand still if China attacks Taiwan. Similarly, Taiwan cannot count on US forces to protect the island regardless of the circumstances that cause the fight.

If a war between China and the US occurs, will the Chinese be defeated? The military and defensive strengths and weaknesses at play are subtle as one party has exclusive possession of own information unknown to others. This provides one reason for the Chinese to expand their military capabilities, knowing that they could spring (un)pleasant surprises on their opponent(s) and emerge as victors. Chinese strategists have consistently expressed confidence that the People's Liberation Army (PLA) could pose a serious challenge to US forces in a conflict over Taiwan considering the geographical constraints faced by the opponent and the solid historical record of the PLA in fighting superior opponents during the Chinese revolution. Although its improved capabilities would enable the PLA to better contend with US forces, the PLA's war-fighting capabilities remain uncertain (the PLA has not fought a war since 1979). From the perspective of realism, the uncertainty leads to an endless struggle for power. When China perceived that the balance of power was not balanced but rather was tilted in favour of a US-Taiwan alliance, China struck back with the passage of the Anti-Secession law. The Chinese knew that the law would not be looked at seriously if China did not have the necessary military might, particularly against a great power like the US. Hence, it was logical for the Chinese to expand its military capabilities. And when China did that, it was Taiwan's turn to feel uneasy, fearing that the balance of power had become imbalanced, this time in favour of China. This led to the US's offering more and better-quality arms and weapons to Taiwan. In the presence of asymmetric information concerning military capabilities, both parties are stuck in the "poker game" or "game of chess" in which one party has to guess what the other party has in its possession and the next move.

Based on published materials, it would seem that the strength of the Chinese military and defence is indeed impressive (Moore 2000; Bitzinger 2004; Cole 2004; Chai 2007; Shirk 2007; Lee 2008; Shlapak et al. 2009). China's nuclear arsenal is estimated at 400 warheads. Dong Feng -5 (DF-5) liquid-fuelled missiles have a range of 13,000 kilometres and are capable of covering all of Asia and Europe and most of the US. The missile tests conducted in 1996 by the Chinese in conjunction with Taiwan's presidential election impressed the West regarding its capabilities. As McClaran (2000: 633) commented, "The Chinese exercises of March 1996 demonstrated China's postulated military strength in this regards... The planning and execution of the 1996 exercises revealed an operational sophistication hitherto unseen in Chinese forces". China also has a considerable inventory of short- and medium-range ballistic and cruise missiles. One thousand four hundred of them are aimed at Taiwan, with 50–70 missiles added every year. A recent study by the Rand Corporation concluded that the missiles launched by China were capable of destroying all of the aircrafts parked on ramps in the open, allowing China a long enough time frame to launch a large-scale air raid on Taiwan and destroy the aircraft parked in the shelter (Shlapak et al. 2009).

China has an estimated of 2.5 million personnel in its military excluding the numerous reserves and paramilitary units. The Chinese navy — People's Liberation Army-Navy (PLAN) — has accumulated a significant number of submarines; the ratio of Chinese to Taiwanese submarines is probably fifty-to-four. Between 1995 and 2002, China was reported to have imported some USD9.3 billion worth of arms, mostly from Russia. In fact, the Chinese have signed arms import agreements in excess of USD11 billion since 1999. In 2002 alone, China purchased USD3.6 billion worth of foreign weapons. China's spending on procurements accounts for about one-third of the country's total defence budget as compared to merely 20% in Taiwan, and China's defence budget has more than doubled in real terms since the mid 1990s with an annual average of 15.4% until 2005 (in nominal terms). In 2004, China spent USD25 billion on defence-related items. This represented an 11.6% increase over the previous year and continued an eight-year trend of double-digit real increases in Chinese military spending. Besides importing arms, China is capable of producing them domestically, and this will add at least 300 more modern fighter aircrafts to its fleet, as well as up to 24 new diesel-electric or nuclear-powered attack submarines and more than 40 medium and heavy amphibious lift ships by the year 2010. The ambitious outer space program since the launching of China's first anti-satellite missile into space in 1997 has also offered China significant

knowledge in the areas of missile technology and space-related weapons systems.

China's decision to build-up its military capability is a natural course of action from the realist point of view. In relative terms, Chinese military capabilities are still weaker than those of the US. However, the Chinese are catching up fast and are expected to continue to modernise and expand their military capabilities as a natural consequence of their economic growth.

FIFTH YEAR ANNIVERSARY OF THE ANTI-SECESSION LAW

Five years have passed since the passage of the Anti-Secession law. The status quo of there being no unification and no independence has been maintained across the strait. Whether this was attributed to the law itself is not easy to ascertain. It may be argued that even without the bill, the status quo would have been maintained because Taiwanese support for *de jure* independence has remained relatively weak as compared to support for the maintenance of the status quo without either independence for Taiwan or reunification with China.⁹ However, the cross-strait region remains unstable as the three actors — China, USA and Taiwan — continue to expand their military might and express their willingness to enter into military confrontation over the Taiwan issue. That the situation across the Taiwan Strait is tense but stable, paving the way for China and Taiwan to work out their differences and pursue their economic growth paths. China continues to progress towards economic powerhouse status in the context of the global financial crisis that began in 2008 and seeks to engage economically with Taiwan. For example, only a month after the Anti-Secession law was passed, KMT Chairman Lien Chan was warmly welcomed during his visit to China. During Lien's visit from 16 April to 3 May 2005, the Chinese agreed to open their market to 15 types of Taiwanese fruits and drop the ban on Chinese tourists visiting the island. The visit of People First Party (PFP) representative James Soong to China a month later (from 5 May to 12 May 2005) brought similar *good news* for the Taiwanese, with the Chinese side agreeing to work towards direct cross-strait flights and towards simplifying via procedures for Taiwanese businesses in China.

⁹ For example, maintaining the status quo was the preferred choice for 50.1% of the respondents in the December 2009 opinion poll conducted by the Global Views Survey Research Centre. 23.9% of the respondents supported Taiwan's independence, while 7.4% supported reunification with China <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=7376> (accessed 4 January 2009).

China knows that Taiwan cannot seek independence without aid from outside. Internationally, no major country in the world recognises Taiwan as a sovereign nation. Foreign interference runs the risk of generating a nationalist reaction from the Chinese people concerning their colonial past. Nationalism also gives China the force to react vigorously to Taiwan's efforts to obtain independence. Independence for Taiwan in this regard can come from constitutional change and/or support from a powerful nation such as the US that is willing and able to oppose mainland China. There has not been strong support for constitutional change, as demonstrated in Chen's repeated but failed attempts at referendums. The US supports Taiwan, as was mentioned in the early section, although the real question of whether the US would come to Taiwan's assistance remains unclear and geographically difficult to answer because of the longer distance between the US and Taiwan relative to that between China and Taiwan. Hence, it is not surprising that despite the economic stimulus offered to Taiwan, China has not renounced the possibility of using force to reunite with Taiwan as stipulated in the Anti-Secession law. Instead, the passage of the law has given Beijing more room to take a soft line towards Taiwan to prevent changes in the Taiwanese constitution: no matter how soft China's stand is, the red line has been drawn in the Anti-Secession bill and cannot be misread.

Since the election of Ma Ying-Jeou in May 2008 as the President of Taiwan, *economic* relations between China and Taiwan have strengthened. Ma has made it clear that he will remove barriers to improve economic relations with Beijing, including in a call for a cross-strait "common market". His approach in dealing with the Taiwan issue has appeared to enjoy popular support; he achieved 58.5% of the votes in the presidential election. This came after his party, the KMT, captured 53.5% of the vote and 81 out of 113 seats in Taiwan's national parliament, the Legislative Yuan. Following Ma's inauguration, direct air and sea links were established to remove the tedious and costly practice of routing passengers and goods via a third place such as Hong Kong or Macau. Launched in December 2008, the arrangement links eight Taiwan and 21 Chinese cities, with up to 108 return passenger flights allowed on a daily basis each week. 60 cargo flights a month are also permitted. In March 2009, China and Taiwan agreed to trade talks, including the possibility of signing free trade style deals. This was part of the Cross-Strait Economic Cooperation Framework Agreement (ECFA) that Taiwan was actively promoting, not only to overcome the recession during the global downturn but also to maintain Taiwan's competitiveness following a chain of free trade agreements between China and her neighbouring countries. In June 2009, President Ma announced a

key initiative, that of allowing Chinese companies to invest in 100 categories of local businesses, including computer components, cell phones, car-making and the building of resort hotels and commercial ports. These initiatives reverse the largely one-way investment flows from Taiwan to China.

Despite the improved relationships at play, a significant change either towards unification or towards Taiwan's independence is unlikely in the near term. It is true that mainland China could take advantage of the more flexible government under Ma to reunify with Taiwan. However, to do so, China would have to do more than grant economic concessions. In March 2009, China's Premier Wen Jiabao told members of the Chinese National People's Congress that China was ready for talk on political and military issues related to Taiwan. "In the coming year, we will continue to adhere to the principle of developing cross-strait relations and promoting peaceful reunification of the motherland... We are ready to hold talks on cross-strait political and military issues and create conditions for ending the state of hostility and concluding a peace agreement" (*Today* 2009). However, the Chinese insistence that the Taiwan side has to agree on the One-China principle discourages many Taiwanese politicians from taking the next step. China has also yet to entertain Ma's requests for membership in international organisations such as the United Nations and World Health Organization and for the removal of missile heads pointing at the island. While a high-level meeting between the two presidents is not impossible, both sides recognise that a gradual (rather than abrupt) relationship is the right thing to present here in the cross-strait context. Treatments based on *national* differences are generally embedded in the various groups, compounded by Chen's effort to portray the Taiwanese as a separate ethnic group with a very limited relationship to Chinese culture.

While Ma is commonly portrayed as China-friendly in the media, the Chinese have been cautious. The Chinese knew that Ma's preference is to maintain the status quo and protect Taiwan's interests. Ma was more willing to cooperate with China in the economic arena because of its vested interest in providing jobs for the people and at least retaining Taiwan's competitiveness in the global economy. Reunification was considered low priority. For instance, during his election campaigns, Ma vowed to protect Taiwan's interests and preserve Taiwan's *de-facto* political independence as the ROC. Ma regarded reunification with China as merely one of many possible decisions, and the solution had to be determined through a democratic process. He commented that reunification would not be possible with a non-democratic PRC (Rigger 2008). On 18 March 2008, Ma issued a statement saying that "ROC is a sovereign independent democratic

state. The future of Taiwan should be decided by Taiwan's 23 million people, and no intervention by the PRC is to be tolerated". Responding to Premier Wen Jiabao's assertion that mainland China should have a say in Taiwan's status, Ma called such an assertion "not only rude, irrational, arrogant, and absurd, but also self-righteous" (quoted in Rigger, 2008, p. 692). When the Chinese mainland's top Taiwan envoy, Chen Yulin, arrived in Taiwan for a five-day visit from 20 December to 24 December 2009 to hold trade talks with Taiwan's representative, Chiang Pin-kung, Ma quickly assured the Taiwanese that no trade pacts would be formally signed during the talks and that Taiwan's "sovereignty and interests" would be jealously guarded. This came after tens of thousands gathered in central Taiwan to protest against the trade talks, fearing that the outcome of the talks would be an influx of cheaper Chinese goods and competition for jobs.

The protection of Taiwan's interests would be increasingly more demanding as elections dates drew nearer. Ma's dwindling popularity in Taiwan did not help. A poll by TVBS conducted one month after Ma's inauguration revealed a significant drop in satisfaction with Ma's administration, with 66% of the respondents stating that Ma and his officials had not adequately prepared themselves to deal with various crises, including that of the Diaoyutai/Senkaku islands¹⁰ (45% of the respondents were dissatisfied with Ma's handling of the island issue, while only 38% were satisfied) and inflation, including rising oil and food prices (58% of the respondents were dissatisfied, while only 31% were satisfied) (Jacobs 2008: 471). Ma was severely criticised for his slow and messy response to the Morakot typhoon, which hit Taiwan in August 2009 with devastating consequences. It was strongly perceived that quicker deployment of relief workers would have saved more lives.¹¹ To boost his ratings, Ma approved

¹⁰ Mainland China, Japan and Taiwan claim ownership of the tiny group of islands known as the Diaoyu Islands in Chinese and Senkaku in Japanese. Located approximately midway between Taiwan and the southernmost island of the Japanese Ryukyu Islands, the Diaoyu Islands caused a dispute that began in the early 1970s following offshore oil exploration and the prediction of hydrocarbon deposits around the islands. From China's standpoint, the islands were ceded to Japan in May 1895 together with Taiwan following China's loss in the Sino-Japanese War, 1894–1895, and therefore, they should revert to China when China resumes its sovereignty over Taiwan and its adjacent islands. Japan, on the other hand, claims that the islands were never ceded to them under the Shimonoseki Treaty in 1895 but were incorporated into Japan as *terra nullius* months before China ceded Taiwan to Japan under the treaty. Taiwan's position was that the Japanese should have over the islands to Taiwan. Pro-independence groups led by DPP regard the islands as part of their founding mythology — their demonstrations over the islands were significant in the early period of the democracy movement in Taiwan. The KMT-inspired "Protect the Diaoyutai Movement" (*bao diaoyutai yindong*) represents a major movement aiming to advocate for this cause and attack the government whenever the latter failed to properly represent Taiwan's national interest. For useful discussions of the dispute, see Deans (2000) and Weigand (2009).

¹¹ With more than 700 deaths reported, the cabinet ministers, including Premier Lin Chao-shiuan, quit in September 2009 to take responsibility for the disaster.

the Dalai Lama's five-day visit to Taiwan to comfort the typhoon victims, fearing that if he said "no" to the invitation by DPP's Mayor Chen Chu, the opposition would attack him for kowtowing to China — a damning accusation at the time, when his approval ratings were at a record low. China responded to the visit by scrapping ribbon-cutting ceremonies to mark new destinations for direct cross-strait flights and visits by Chinese delegations to Taiwan.

What are the implications of all of this for China? As far as unification is concerned, it is not the right time for China to press Taiwan too forcefully regarding its demands. Doing so would put Ma in a tough position in terms of reconciling the interests of the Taiwanese, who prefer Taiwan to retain its political independence, and those of the Chinese. The CCP must recognise that the DPP is still a force to be reckoned with — as indicated, for example, in its by-election victories in Taoyuan, Taitung and Taichung counties in early January 2010. China must take into consideration the possibility that Ma might not be re-elected in 2012. Granting too many concessions to Ma's administration both in the economic and political contexts might backfire because retracting the concessions later would display Chinese political leaders in a negative light. However, failure to reach an agreement during Ma's time may further delay any possibility of uniting the different components of the motherland because China is in a better position in dealing with China-friendly Ma than it would be if someone from the DPP were in power. In short, China's desire to reunite with Taiwan is unlikely to be fulfilled in the near term. Without reunification, there is always the possibility of Taiwan's bidding for independence. China has made its position known and has clarified the reactions that might be possible should Taiwan seek independence in this manner. In this regard, the Anti-Secession law serves to restore the balance of power across the Taiwan Strait for the security and national interest of the Chinese. It remains imperative for China to maintain but not upset the balance of power.

CONCLUSION

This paper argues that the passage of the Anti-Secession law in March 2005 was a logical step forward by the Chinese to restore what they perceive as an imbalance of power across the Taiwan Strait. Our analyses of US-Taiwan relations and Taiwan's own commitment to establishing a new Taiwanese identity have suggested that Taiwan has gained the upper hand with regard to the Taiwan issue. The Balance of Power theory has provided a suitable

theoretical explanation for the Chinese desire to expand its military capabilities and push ahead with the Anti-Secession bill. The theory anticipates China's goal, which is to avoid the worst-case scenario (Taiwan's independence). At least for now, China does not want to pick a fight with Taiwan without the full assurance of its winning the battle. Interestingly, the US has similarly adopted a defensive approach. The US logic is that peace must come from a balance of power, with offers of arms and weapons to Taiwan considered an essential means of maintaining the balance of power across the Taiwan Strait. In this regard, it can be said that US inconsistency regarding the One-China policy helps to maintain the status quo. Any clarity on the US position may not serve the US purpose well (i.e., that of seeking a peaceful resolution to the Taiwan conflict) because it may seem to indicate that the US is "taking sides", which would likely distort the balance of power.

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APPENDIX

The Anti-Secession Law

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 once 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 unify 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: (i) to encourage and facilitate personal exchanges across the Straits for greater mutual understanding, (ii) to encourage and facilitate economic exchanges and co-operation, (iii) to encourage and facilitate cross-Straits exchanges in education, science, technology, culture, health and sports, (iv) to encourage and facilitate cross Straits co-operation in combating crimes and (v) to encourage and facilitate cross-Straits other activities that are conducive to peace and stability in the Taiwan Straits. 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. The two sides of the Taiwan Straits may consult and negotiate on the following matters: (i) officially ending the state of hostility between the two sides, (ii) mapping out the development of cross-Straits relations, (iii) steps and arrangements for peaceful national reunification, (iv) the political status of the Taiwan authorities, (v) the Taiwan region's room of international operation that is compatible with its status, and (vi) other matters concerning the achievement of peaceful national reunification.

Article 8

In the event that the "Taiwan independence" secessionist forces act under any name or by any means to cause the fact of Taiwan's secession from China, or that major incidences entailing Taiwan's secession from China should occur, or that possibilities for a peaceful reunification should be completely exhausted, the state shall employ non-peaceful means and other necessary measures to protect China's sovereignty and territorial integrity. The State Council and the Central Military Commission shall decide on and execute the non-peaceful means and other necessary measures as provided for in the preceding paragraph and shall promptly report to the Standing Committee of the National People's Congress.

Article 9

In the event of employing and executing non-peaceful means and other necessary measures as provided for in this Law, the State shall exert its utmost to protect the rights and interests of Taiwan civilians and foreign nationals in Taiwan, and minimize losses. At the same time, the State shall protect the rights and interests of the Taiwan compatriots in other parts of China in accordance with law.

Article 10

This law shall come into force on the day of its promulgation.

Notes: Adopted at the Third Session of the 10th National People's Congress on 14 March 2005