

Foreword

Taiwan lies at the heart of the security concerns about security in the Asia-Pacific region. It is the one issue that could bring China and the United States into military conflict, threatening the economic growth and development of the entire region and casting the two great giants of the region into a deep and long-lasting enmity. Beijing claims that the island is part of China and that it is only American readiness to help the island defend itself that prevents Taiwan from uniting with the Chinese mainland under the banner of 'one China'. The United States claims that its primary concern is to see the issue resolved peacefully. Arguably a status quo has emerged since 1979, when the US transferred its recognition of China from Taipei to Beijing, by which China has been unable to annex Taiwan by force and by which Taiwan has been unable to translate its *de facto* independence into internationally recognized *de-jure* independent state. However, what has changed is that Taiwan has undergone a major transition from authoritarianism to democracy and that China has undergone an economic transformation that has propelled it into becoming a major economy of global significance.

The contributors to this volume examine the political and economic dimensions of this highly complex and pressing issue in what are for the main part new and challenging ways. While being on the whole sympathetic to the cause of democratic Taiwan, the contributors provide clear and reasoned arguments firmly grounded in the empirical evidence. In no sense can this book be regarded as a polemic.

The conference from which this book has emerged was convened after the path-breaking visits of the leaders of Taiwan's 'Pan-Blue' parties to Beijing. Those visits, which began in April 2005, have changed the dynamics of the Taiwan issue at least for the time being. Although Beijing still maintains in place significant military deployments that threaten the island, the principal question at present is what effect these visits and other aspects of Beijing's attempts to woo Taiwan will have on domestic Taiwanese politics. This issue is addressed head on by Edward Friedman in Chapter 2 who in a profoundly thoughtful analysis of the deep rift between the Pan-Blues and the Pan-Greens argues that these are at heart ethnic divisions about the political identity of Taiwan. He suggests that contrary to initial suggestions, Beijing may not succeed in taking advantage of these divisions.

T.-J. Cheng and Yung-Ming Hsu show in Chapter 3 how the nature of the electoral process within Taiwan's peculiar combination of a presidential and parliamentary system has shaped the dynamics of politics. They argue that Beijing's cultivation of the Pan-Blue leaders has taken the agenda-setting capacity away from the DPP, which it has enjoyed for more than a decade. They also caution against expectations that the new electoral system will result in a two-party system, at least in the short run. Both chapters attest to the vitality and durability of democracy in Taiwan, and that should caution readers from taking the rhetoric of the political leaders at face value. Neither anticipates major gains for Beijing any time soon. Nat Bellocchi provides in Chapter 6 a clear survey of the complex choices facing the people and leaders of Taiwan between preserving the uneasy status quo, moving towards independence, or going for unification with the Mainland. In a closely argued chapter, Chapter 5, Jacques deLisle shows how Beijing's Anti-Secession Law may be seen as a response to attempts by Chen Shuibian to alter Taiwan's legal status by domestic legislation and through referenda. Indeed he suggests that Beijing's domestic legislation may also be seen as a belated response to the American Taiwan Relations Act of 1979, which was also a piece of domestic legislation.

The Taiwan issue is deeply embedded in the complex relationship between China and the US, and several chapters examine different dimensions of the American side and how that has affected its commitment to Taiwan. As the world's only superpower, the United States necessarily approaches the Taiwan issue within the context of its global interests and obligations and not always on the merits of the case, which most of the contributors see as a clear-cut one of a democracy being threatened by a dictatorship. Given the complexities of the American position and the external and domestic pressures to which the US government is exposed, it is not surprising that different views about American policy may be observed among the contributors.

Robert Sutter argues in Chapter 11 that America is in a much stronger position with regard to China than is commonly recognized. He implies therefore that America need not make concessions to the Chinese side over Taiwan. Be that as it may, Richard Fisher claims in Chapter 12 that China's Communist leaders have already used North Korea's nuclear stance to gain concessions from the G.W. Bush administration on Taiwan. Peter Brookes, in Chapter 14, provides a succinct account of American concerns about the probable adverse consequences of the lifting of the EU's arms embargo on China. June Dreyer shows in Chapter 4 that whatever the prevarications of the executive branch there is still strong support within Congress for Taiwan – not least because of its democratic character. In Chapter 13, Alexander Young goes beyond the American response to the rise of China

to argue that a major determinant of the future role of China in the region will be provided by Japan. A robust response by the Japanese, he argues, would lead to a weakening of China's partnership with Russia, enhance Taiwan's *de facto* independence, and strengthen the resolve of the South-East Asians to resist Chinese influence. A weak Japanese response would have a contrary effect, leading to the reassertion of the pre-eminence of 'Imperial' China.

Four chapters look at possible regional scenarios for the development of the Taiwanese economy, given its current dependence on China. Tain-Jy Chen and Ying-Hua Ku show in Chapter 8 that Taiwan has much to fear economically from attempts to integrate the economies of ASEAN+3 (China, Japan and South Korea), whereas it would be a net beneficiary of the economic integration of ASEAN+1 (that is, China). Frank S.T. Hsiao and Mei-Chu W. Hsiao claim in Chapter 9 that if from a strictly economic point of view Taiwan benefits from a close economic association with China, the US would gain greatly from an FTA with Taiwan. That view is endorsed by Merritt T. Cooke in Chapter 10, as based on his detailed study of the complementary roles played by the US and Taiwan in the global IT supply chain. In Chapter 7, Dan Ciuriak finds that current trends strongly suggest that East Asian trade and economic integration will increase, with China as the growing central hub. He also suggests that this will be beneficial for Taiwan.

Although it is clear that the sympathies of the contributors to this volume are with democratic Taiwan, they nevertheless provide varied and often conflicting analyses of the problems facing Taiwan and how they should be addressed. The editor is to be congratulated in bringing together such a rich collection of essays. The book merits a wide readership among students, scholars and practitioners alike.

Michael Yahuda
Professor Emeritus, London School of Economics
Visiting Scholar, George Washington University