

Party Politics and Taiwan's External Relations

by Shelley Rigger

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Taiwan's most controversial political issue is external relations. With barely two dozen diplomatic partners and no seat in the UN, Taiwan's 23 million people have almost no formal international representation. Paradoxically, the island's cramped participation in the international community amplifies the importance of external ties in domestic politics.¹ However, lively partisan debate over Taiwan's international strategy has altered only marginally the direction set in the early 1990s, near the beginning of Lee Teng-hui's presidency. Because Taiwan's foreign policy options are exceedingly limited, significant changes in its external orientation and behavior are unlikely, no matter which party is in power.

In Taiwan, "external relations" covers two distinct realms: first, the most hotly contested issue, cross-strait relations with the People's Republic of China; and second, foreign relations—i.e., Taiwan's relations with all other

¹The recent literature on Taiwan's foreign relations includes Jie Chen, *Foreign Policy of the New Taiwan: Pragmatic Diplomacy in Southeast Asia* (Elgar, 2002); several chapters in Bruce J. Dickson and Chien-min Chao, eds., *Assessing the Lee Teng-hui Legacy in Taiwan's Politics: Democratic Consolidation and External Relations* (M. E. Sharpe, 2002); Michael Swaine, *Taiwan: Foreign and Defense Policymaking* (RAND, 2001); Czeslaw Tubilewicz, "The Baltic States in Taiwan's Post-Cold War 'Flexible Diplomacy,'" *Europe-Asia Studies*, July 2002; Ian Taylor, "Taiwan's Foreign Policy and Africa: The Limitations of Dollar Diplomacy," *Journal of Contemporary China*, February 2002; Richard J. Payne and Cassandra R. Veney, "Taiwan and Africa: Taipei's Continuing Search for International Recognition," *Journal of Asian and African Studies* (2001); Michael Leifer, "Taiwan and South-East Asia: The Limits to Pragmatic Diplomacy," *China Quarterly*, March 2001.

nations. The arenas are handled by separate bureaucratic agencies, coordinated by the presidential office. Cross-strait relations is the bailiwick of a cabinet-level Mainland Affairs Council, while relations with states other than the PRC are the responsibility of the Ministry of Foreign Affairs. These two policy areas are substantively and bureaucratically distinct, but they conform to a similar pattern. In each case, continuity is the norm, because overwhelming practical constraints stymie innovation.

Fundamental Principles of ROC External Relations

With the partial exception of the Taiwan Solidarity Union (TSU), Taiwan's political parties all subscribe to five common principles, differing only over what tactics will best serve these ideals:

Avoid entrapment by the PRC. Taiwan's political community is in broad agreement that Beijing aspires to bring Taiwan under its control. Although some Chinese leaders have made statements suggesting that the goal of "peaceful reunification" could be accomplished in a way that would not subordinate Taiwan to the PRC, the great majority of Taiwanese—politicians and ordinary citizens alike—believe Beijing's real goal is to incorporate Taiwan into the PRC and subject it to either direct or indirect rule by the Chinese Communist Party. Therefore, no political party can afford to appear weak in its determination to resist the PRC's pressure for unification. Where there is disagreement, it is tactical: the Green parties—the Democratic Progressive Party (DPP) and TSU—tend to support policies that would distance Taiwan from the mainland and strengthen the nation's resolve to resist unification. The Blue parties—the Kuomintang (KMT) and People First Party (PFP)—favor using protracted negotiations as a way to safely postpone a final resolution of the cross-strait dilemma and secure the best possible deal for Taiwan. Between 2000 and 2003, the Blue parties flirted with a stronger position in favor of unification. However, in the run-up to the 2004 presidential election they found themselves under attack from the Green incumbent, Chen Shui-bian, and dropped their pro-unification rhetoric and message.²

² See George Wehrfritz, "Rocking the Boat," *Newsweek International*, Jan. 5, 2004. As this article was going to Press, KMT leader Lien Chan, to the consternation of the DPP, visited Beijing to meet with Hu Jintao. See Benjamin Kang Lim and John Ruwitch, "Taiwan KMT, China and Civil War Hostilities," Reuters, Apr. 29, 2005.



Taiwan's Presidential Palace, built 1912–19 in the "Japanese Renaissance" style. It continues to represent the complexities of Taiwan's identity, which has been shaped by historical legacies from both China and Japan. Photo by Prof. Robert D. Fiala, Concordia University (Nebraska), Asian Historical Architecture (www.orientalarchitecture.com).

Avoid provoking the PRC. All of Taiwan's parties agree that Beijing's ambitions threaten Taiwan's autonomy, differing only in their assessments of its intentions and capabilities and therefore the actual threat it poses. They also agree that provoking Beijing is unwise and that war with the PRC is to be avoided. None, however, suggest that war should be avoided at all cost: as the first principle suggests, unconditional surrender to Beijing's unification scheme would be unacceptable *unless* there was a concrete advantage to be gained. The questions are what constitutes provocation and what would qualify as a concrete advantage. For example, the TSU argues that campaigning for a "rectification of names" to change "Republic of China" to "Republic of Taiwan" would not constitute gratuitous provocation, a position the other parties reject, with varying degrees of vehemence; the parties also disagree whether changing the name would constitute a meaningful gain.

Maintain good relations with the United States. Another point of consensus among Taiwan's political parties is that amicable and close relations

with the United States are crucial to the island's security.³ Given Beijing's hostility and Taiwan's tenuous international position and small size, the island's survival requires the support of a powerful patron. In a recent Taiwanese *Business Week* (*Shangye Zhoukan*) survey, barely a quarter of the respondents said they believed Taiwan could defend itself against PRC aggression without U.S. assistance. Clearly, a party that advocated brushing off the United States would not be viable. At the same time, however, Taiwanese politicians are loath to accept the role of passive client. On at least two occasions, President Chen has trumpeted his refusal to bow to pressure from Washington.⁴ In the wake of these displays of autonomy, Taiwanese politicians have implored U.S. policymakers to "understand" the political imperative motivating their remarks. For example, over the past two years the DPP-led government has sent several delegations to Washington to explain the party's position on constitutional reform and national referendums. The envoys have tried to convince U.S. policymakers that domestic politics make it impossible for their party to concede to the Bush administration's preferences on these issues. For their part, the Blue parties are in a similar predicament regarding U.S. arms sales, the appropriation for which KMT and PFP legislators have blocked. They, too, seek Washington's "understanding" for a position that puts them in clear opposition to U.S. interests.

Affirm the ROC's sovereignty by maintaining formal diplomatic ties with internationally recognized states. Taiwan's political elites continually debate how many diplomatic partners Taiwan needs, how those relationships should be strengthened, and what cost Taiwan should be willing to pay to maintain them, but few have seriously broached the idea of giving up on formal ties altogether. The belief is widespread in Taiwan that diplomatic recognition from UN member countries—no matter how few and small—keeps alive the idea of the ROC as a sovereign state. If *no* countries recognized the ROC, the logic goes, the PRC would have a much stronger case for claiming that it lacked sovereignty.

Strive for international sympathy and strengthen substantive ties with states and non-governmental organizations. Taiwan's political elites agree that formal diplomatic ties are important, but they also recognize that having diplomatic relations with a handful of small countries is insufficient to secure Taiwan's place in the international community. Continually appealing to the

³ U.S.-Taiwan relations are the topic of a number of recent books, including: Richard Bush, *At Cross Purposes: U.S.-Taiwan Relations Since 1942* (M. E. Sharpe, 2004); Nancy Bernkopf Tucker, ed., *Dangerous Strait The U.S.-Taiwan-China Crisis* (Columbia University Press, 2005); and Alan Romberg, *Rein in at the Brink of the Precipice* (Stimson Center, 2003).

⁴ In fall 2003, Chen commented that Taiwan was not only not a province of any country, but also was not a *state* of any country. On December 7, 2004, referring to U.S. demands the previous year that Taiwan drop its plans for a referendum, he asked "When the U.S. voiced its warning last year, at that time, many people were scared to death, saying I would be damned. . . Did we yield? Did we compromise? No."

international community for its support, having a presence at any international event that permits its representatives to appear, and maximizing economic and people-to-people ties with foreign governments are strategies on which all Taiwan's political parties agree.

These principles do not entirely eliminate flexibility in Taiwan's external relations, but their inhibiting effect is reinforced by several domestic factors. Policymakers' freedom of movement is constrained by public opinion, bureaucratic inertia, and political competition, all of which confine parties from breaking with past policy: public opinion is cautious, the career civil servants in the Mainland Affairs Council and the foreign ministry are mostly carryovers from the Lee era, and political competition makes errors costly.

Externally, the PRC's implacable opposition to any expansion in Taiwan's international role further limits Taiwan's options. Beijing is able to do this in no small part because with only a few exceptions, the rest of the world is at best indifferent—and in some cases actively hostile—to an island many countries see as a quixotic holdout, stubbornly resisting the inevitable. U.S. policy, too, promotes caution on external relations, because Taiwanese leaders know that while Washington is certainly the closest thing to an ally Taiwan has, its support is not unconditional, and the main condition for that support is that Taiwan not do anything that could draw the United States into armed conflict with the PRC.

Party Politics and Cross-Strait Relations

In the Lee era, the KMT-led government used a combination of policies to resist and delay unification on Beijing's terms. Lee's administration kept alive the notion of the ROC as essentially Chinese and continued to pay lip service, at least, to unification as a goal, but it surrendered the ROC's claim to legal jurisdiction over the mainland. The "one China, two political entities" concept that emerged from this logic guided the KMT-led government's mainland policy throughout Lee's presidency.⁵ President Lee also emphasized institutional changes within Taiwan—such as directly electing the president and downsizing the Taiwan Provincial Government—that were aimed at consolidating Taiwan's identity as a fully democratic state separate from the PRC.

In the 2000 presidential election, the KMT divided its vote between two candidates, creating an opening through which the DPP's Chen Shui-bian slipped into office. President Lee resigned his post as party chair to take responsibility for the defeat, and for several months it appeared the KMT was

⁵ Gunter Schubert, "Taiwan's Political Parties and National Identity: The Rise of an Over-arching Consensus," *Asian Survey*, Aug. 2004, p. 540.

strengthening its position in favor of unification. In the end, however, the party's position changed only marginally, leaving what Taiwan specialist Gunter Schubert calls a "conceptual vacuum" in the KMT's approach to cross-strait relations.⁶ In practical terms, the result has been a return to Lee's approach: encouraging dialogue for the sake of easing cross-strait tension while opposing any precipitous movements toward unification or formal independence.

Cross-strait policy under the Chen administration has followed the direction set by President Lee: insisting on sovereignty for Taiwan while continuing to define the Taiwanese state as the "Republic of China." One element of Lee's approach that is not part of the current DPP government's strategy, however, is dialogue with the PRC, something to which Lee was committed until he jettisoned it when he thought it was moving too quickly.⁷ President Chen is not wholly averse to negotiations: in his first term he made a number of statements inviting the PRC to restart talks. But he has been unwilling to acquiesce to the PRC's precondition for talks, which is acceptance of Beijing's one-China principle. This would be difficult for any political party; if the Blues return to power, dialogue with the PRC will progress smoothly only if Beijing accepts the Blues' past statements and published positions as tacit acknowledgment of "one China" and does not insist on a public endorsement of unification or Beijing's one-China principle.

One reason Chen has been able to continue Lee's policy is that it is consistent with mainstream public opinion. As Schubert writes:

[I]n spite of the 'pan-green'/'pan-blue' schism, Taiwan's political parties are both reflectors and amplifiers of a national identity that is predominantly rooted in the people's identification with their sovereign state. Consequently, it does not make much difference which party governs the island, when the political future of Taiwan is the issue.⁸

The relentlessness and sharpness of the debate have tended to overshadow this moderate consensus on cross-strait relations. Noisy diehards at either end of the spectrum create the impression of polarization, but there is in fact a strong moderate center on this issue. For years, surveys have consistently found that a large majority of Taiwanese want to maintain the status quo for some period of time, either indefinitely or "for the time being." No more than 10 percent of Taiwanese appear interested in pushing for independence or unification immediately.⁹

⁶ *Ibid.*, p. 541.

⁷ According to Lee, his remarks calling cross-strait relations a "special state-to-state relationship" were aimed at slowing the pace of the the Koo-Wang dialogue. (Author interview, Dec. 14, 2004.)

⁸ Schubert, "Taiwan's Political Parties and National Identity," p. 535.

⁹ A precise of these surveys, chronicling the ups and downs in popular preferences over time, is available on the MAC website, www.mac.gov.tw.

The 2003 Survey on Taiwan's National Security exemplifies this pattern. Just under 6 percent of respondents preferred an immediate resolution of the cross-strait dilemma, divided more or less evenly between independence and unification. Fifty-five percent said they preferred the status quo, either indefinitely (14 percent) or for an unspecified period of time (41 percent). The remaining third preferred the status quo for now but favored eventual unification or independence.¹⁰

The results of another portion of the survey, which sought to identify respondents' preferences under various conditions, underscored the centrism of public opinion on the cross-strait issue. Respondents were asked whether they would favor Taiwan's declaring independence if (a) it were known that this would cause mainland China to attack Taiwan or (b) if it were known that it would not; and whether they would favor unification (c) if great political, economic, and social disparity existed between the ROC and PRC or (d) if only minor disparity existed. Nearly half the respondents were prepared to accept *either* independence or unification, depending on the circumstances. The respondents who could accept one outcome but not the other were split fairly evenly between those who would accept only independence (27 percent) or unification (22 percent).¹¹

The electorate's moderation is reflected in the platforms on cross-strait relations of Taiwan's four major parties (see Table 1). While their platforms are far from identical, the parties' stated positions on these issues are similar. The platforms are also consistent with the broad popular preference for prolonging the status quo until such a time as independence or unification can be achieved at little cost.

Specifically, all four parties—even the TSU, the senior statesman of which, Lee, is spearheading a movement to change the nation's name to Republic of Taiwan—accept “Republic of China” as the appropriate name for the state headquartered in Taipei. All but the TSU state their desire for dialogue with the PRC on the basis of equality. The TSU does not rule out dialogue, but it places the PRC on an equal footing with all other states as a target for interaction. All four parties insist that any change in the cross-strait status quo should occur through a democratic process conducted on Taiwan. In sum, the major parties' stated positions all are consistent with the policy direction set early in Lee's presidency.¹²

¹⁰The 2003 survey on Public Opinion and Taiwan's National Security was designed by a group of political scientists from Taiwan, sponsored by the Program in Asian Security Studies at Duke University, and conducted by the Election Study Center of the National Chengchi University, Taipei, Taiwan. It was conducted on Dec. 27–30, 2002, with a total sample size of 1,225.

¹¹Emerson M. S. Niou, “Understanding Taiwan Independence and Its Policy Implications,” *Asian Survey*, Aug. 2004, p. 560.

¹²For an extended discussion of the parties' positions on these issues, see Schubert, “Taiwan's Political Parties and National Identity.”

Table 1. Party Statements on National Identity and Cross-Strait Relations

	Green		Blue	
	DPP	TSU	KMT	PPF
View of the name "Republic of China"	"Taiwan is a nation with independent dominion, named the ROC."	"The 23 million citizens of the ROC. . . live together as one entity on Taiwan."	"The ROC is the best safeguard and guarantee for the people in Taiwan."	"Our position . . . is to protect the constitution of the ROC."
Immediate goal for cross-strait relations	"Establishing normal relations between Taiwan and China"	"The ROC and the PRC coexist in the world. This is an historical fact and objective reality."	"Pursue peaceful and stable relations across the Strait, construct military confidence-building measures and build a Taiwan Strait zone of peace"	"Put aside the unification-independence controversy to press forward with the development of cross-strait relations."
Ultimate goal for cross-strait relations	"Any possibility cannot be excluded in advance, and the DPP must accept any solution that is supported by the majority of the people."	"Any changes to the current status . . . may be implemented only on the basis of the principles of democratic government"	"Move gradually toward a democratic, free and equitable unification"	"Stride toward political integration . . . insisting that any future change in Taiwan's status must have the agreement of the people of Taiwan."
View of cross-strait negotiations	"Taiwan should initiate open dialogue and negotiation with China."	Pursue dialogue with "all regions, all nationalities and all countries of the world"	"Pursue the resumption of regular cross-strait negotiation, strengthen all types of exchanges"	"In accordance with the orientation of the ROC constitution, conduct cross-strait dialogue"
External policy goals/ methods	"As long as . . . national sovereignty and dignity can be adequately protected, we should try all efforts to further dialogue and negotiate."	"The external policy of the ROC is to conduct exchanges with other countries."	"Expand regional cooperation, actively participate in international activities and organizations, consolidate and enhance our diplomatic relations and actively expand substantive relations with all countries."	"The Chinese Communists must promise to give up military threats against Taiwan, open a cross-strait dialogue based on reciprocity and equality, and ensure the ROC's international survival space."

Sources: DPP White Paper on China Policy for the 21st Century, Nov. 1999, at www.taiwandocuments.org/dpp01.htm; PFP Ten Core Positions (*shi da zhuzhang*) at www.pfp.org.tw/main.htm; TSU Party Guidelines, 2004, at www.tsu.org.tw.

Given the similarity in positions across the political spectrum, how is it that this policy arena has provoked so much debate and controversy? Instead of fighting over concrete policy recommendations, the political parties question one another's sincerity, tactics, and competence. KMT and PFP leaders accuse the DPP and TSU of hiding their pro-independence "true colors" behind a scrim of moderate rhetoric, while Green politicians hint that the Blues care more about unification than about protecting Taiwan.

The question of tactics opens even more room for controversy. While all the political parties agree that the ROC's sovereignty and autonomy must be preserved, there is considerable disagreement about how best to achieve that goal. The major areas of disagreement include the following:

How much Taiwan should be willing to concede to entice Beijing back to the negotiating table. All of Taiwan's political parties agree that dialogue is desirable, but at what cost? Must the negotiating framework acknowledge Taiwan's sovereignty, or could talks be carried out between non-governmental entities? What kinds of questions should be raised? Should Taiwan agree to political negotiations, or restrict the topic to practical problems? The PRC complicates this debate by implicitly setting different conditions for different parties. Beijing continues to demand that Chen, as leader of a political party whose platform expresses a preference for an independent Taiwan, openly accept its one-China principle as a precondition for the resumption of cross-strait talks. (If a Blue politician succeeds Koizumi as president when his term ends in September 2006, there are signs that Beijing might not require a public statement, since the Blues already are on record as supporting "one China.")

The pace and extent of cross-strait economic integration. Here again, there is broad agreement (with the exception of the TSU, whose platform emphasizes development within Taiwan and whose leaders are often critical of Taiwanese firms' investments in the mainland) that cross-strait economic ties are indispensable if Taiwan's economy is to thrive. However, the Green parties tend to emphasize the risks of cross-strait economic integration, which include hollowing out the domestic economy and exposing Taiwan to security threats, while the Blues emphasize the benefits, which include possibly diminishing Beijing's hostility and putting a mutually acceptable settlement within reach. Early in his first term, Chen struggled with a decision to allow Taiwanese semiconductor manufacturers to open fabrication plants for 8-inch wafers in the mainland (he ultimately said yes). He has been wrestling with the problem of opening direct shipping and air links across the Strait for more than four years but has little to show for his efforts, although direct flights were permitted for a brief period during the Lunar New Year holiday in February 2005.

The desirability of consolidating Taiwan nationalism. Promoting the idea of a coherent and unique Taiwanese national identity is a high priority for the Greens, both as an end in itself and as a means of strengthening Taiwan's resolve to resist Beijing's unification efforts. According to the DPP's November 1999 *White Paper on Foreign Policy for the 21st Century*, which remains its

guiding foreign policy statement,¹³ the absence of a consensus about Taiwan's national identity makes it impossible to govern the island effectively and confront the problem of cross-strait relations resolutely. "Once we reach a consensus on complete autonomy, we will move toward the normalization of relations with China, and make the maximum effort to improve cross-strait relations." The Blue parties, in contrast, tend to see the preoccupation with Taiwan identity as "de-Sinification"—a campaign to deny Taiwan's Chinese cultural and historical roots. Their discomfort with de-Sinification is widely shared among the public. Political scientist Dan Lynch of the University of Southern California uses the phrase "Taiwan subjectivity" to refer to the movement to replace Chinese identity with a Taiwan-centered identity. He described the response of Taiwan's electorate to the Taiwan subjectivity agenda in the 2004 legislative elections as follows:

The voters responded with indifference, apparently because most do not consider Green efforts to realize Taiwan subjectivity to be sufficient motivation to vote against KMT or even PFP candidates. . . . Many voters apparently also cling to a residual identification with 'China' (though not the PRC), which the subjectivity activists have not yet been able to shake. The movement leaves these voters either cold or, in some cases, actively alarmed. The subjectivity activists are loath to admit it, but the fact is that their radical de-Sinification agenda—while popular in some quarters—alienates large numbers of Taiwan citizens.¹⁴

It is possible that the DPP, if not the TSU, will reconsider its commitment to the de-Sinification/Taiwan subjectivity agenda in the wake of its 2004 legislative setback. In September 2004, the party passed a resolution affirming Taiwan's ethnic pluralism, suggesting that some in the party are willing to embrace a more inclusive version of identity politics.

The necessity for and content of constitutional reform. The issues involved in the constitutional reform debate are primarily domestic, but because the PRC opposes constitutional change (and the United States has expressed reservations as well), the decision to forge ahead with constitutional revisions, as well as the specific content of those changes, has consequences for cross-strait and international relations. As his second inaugural address in May 2004 made clear, thorough-going constitutional revision is at the top of President Chen's agenda for his second term.¹⁵ The primary goal of the revisions is to improve the functioning of Taiwan's political institutions. However, President Chen has characterized these revisions as a "new constitution" on many occasions, suggesting that the reforms serve an implicit nation-building function as well. It is this implication—a "new constitution" for a "new nation" (read "independent Taiwan")—that inspires such strong opposition in Beijing. PRC leaders also

¹³The White Paper is available at www.taiwandocuments.org.

¹⁴Dan Lynch, "Refocusing the Taiwan Nationalists' 'Subjectivity Movement,'" *China Brief*, Jan. 4, 2005, at www.jamestown.org/publications.

¹⁵President Chen's second inaugural address is available at www.gio.gov.tw.

worry that the DPP may be planning to rewrite those aspects of the constitution that define the ROC as Chinese, a charge the DPP and President Chen have been at pains to deny, with little success.

Party Politics and Foreign Relations

Taiwan's foreign policy debates are less heated than debates over national identity and cross-strait relations, but here too, politicians try to score points with the public by criticizing their opponents and offering alternative approaches. Until the early 1970s, the ROC's foreign policy was based on its claim to represent all of China. But between 1970 and 1980, the foundation of that claim disintegrated, and Taiwan was forced to adopt a new foreign-policy orientation. The new approach rests on three legs.

First, as noted previously, Taiwan tries to maintain formal diplomatic ties with as many countries as it can, on the theory that so long as a state's sovereignty is recognized by other states, that claim cannot be completely extinguished. Second, Taipei places great emphasis on substantive (though non-official) ties with those countries that are not willing to recognize the ROC formally. The most important of these relationships is with Washington, although Taipei expends considerable effort cultivating good ties with Tokyo, London, and Brussels, too. Third, the foreign ministry works hard to increase Taiwan's visibility around the world in non-governmental venues and international organizations.

Maintaining formal diplomatic relations with other states is a tough challenge for Taipei, given Beijing's determination to isolate Taiwan internationally. The PRC requires countries to de-recognize the ROC and accept a one-China policy before it will establish relations with them. Requiring states to choose between Taipei and Beijing forces Taipei into a tit-for-tat competition that it is increasingly unable to win. In January 2005, Grenada became the latest trophy in the PRC's campaign to persuade states to switch recognition from Taipei to Beijing, reducing the number of Taiwan's diplomatic partners to twenty-five.¹⁶

While Taiwan believes it has much to gain from international recognition, even if its partners are small, impoverished countries, it cannot offer its diplomatic partners much in the way of political benefit. At one time, other anticommunist states such as South Africa, South Korea, and Paraguay favored

¹⁶Taiwan's diplomatic partners (as of April 2005) are: *Africa* – Burkina Faso, Chad, Gambia, Malawi, Sao Tome and Principe, Senegal, Swaziland; *Europe* – Holy See; *Latin America/Caribbean* – Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, St. Kitts and Nevis, St. Vincent and the Grenadines; and *Asia Pacific* – Kiribati, Marshall Islands, Palau, Solomon Islands, Tuvalu, Vanuatu (status uncertain; Taiwan signed a communiqué of recognition with former Prime Minister Serge Vohor, but Vohor's successor does not recognize the communiqué).

Taiwan for ideological reasons. Today, only the Holy See chooses Taiwan for political reasons, and it likely will recognize the PRC if the two sides reach an agreement on the status of the Catholic Church in China. For most of Taiwan's diplomatic allies, the motivation for maintaining relations with Taipei is financial. This reality makes the issue of diplomatic recognition controversial within Taiwan, but it has not eliminated the pressure to maintain formal ties with foreign governments.

The most controversial aspect of Taiwan's campaign for bilateral diplomatic ties is the practice of providing foreign aid to governments that are willing to recognize Taipei. Critics inside and outside Taiwan have raised questions about "dollar diplomacy." A February 15, 2005, editorial in the English-language *China Post* summed up these complaints: "Official Taipei seems to remain an incorrigible addict to its own dollar diplomacy habit. . . . Taiwan wants to buy diplomatic allies with its ever-shrinking government reserves to protect whatever little turf it has in the international community."

There is little question that money drives most of Taiwan's diplomatic partnerships and that it has been the key factor motivating Asian/Pacific states to change their allegiance from China to Taiwan or the reverse. In 1999, Papua New Guinean prime minister Bill Skate attempted to arrange more than \$3 billion in assistance from Taiwan in exchange for diplomatic recognition. In the end, Skate's government fell and the deal collapsed, but this is only one of several examples of Taipei and Beijing bidding for the recognition of small states around the globe.¹⁷

Dollar diplomacy is a magnet for international as well as domestic criticism. However, Taiwan's generosity with its diplomatic partners is not entirely self-serving. Taiwan invests heavily in agricultural extension, education, and health projects in allied states; it is "renowned in Africa for offering appropriate technological (particularly in the agricultural fields) assistance with little strings attached [and] is also remarkably flexible in supplying aid, even going to the extent of paying the wages and nurses and doctors from hostile countries" (for example, Cuba).¹⁸

Nonetheless, the foreign ministry's preference for well-designed development projects regularly comes into conflict with its mandate to maintain diplomatic ties. It has sometimes been abused by elites in Africa, Oceania, and Latin America who have attempted to exact the most aid and financial assistance they can in return for recognition. Some Taiwanese development funds have found their way into private pockets, or have been used for patronage or prestige projects that enhanced the reputations of local politicians.¹⁹

¹⁷ John Henderson, "China, Taiwan and the Changing Strategic Significance of Oceania," *La Revue Juridique Polynésienne*, 2001, p. 148.

¹⁸ Taylor, "Taiwan's Foreign Policy and Africa," p. 131.

¹⁹ *Ibid.*, pp. 129, 132.

When abuses of Taiwan's generosity are exposed, the resulting scandals amplify the voices of those who say Taiwan should not allow itself to be drawn into bidding wars by greedy, corrupt politicians in developing countries. Before 2000, the DPP was a particularly vocal critic of the foreign ministry's approach to maintaining diplomatic ties. In March 2000, the DPP's vice president-elect Annette Lu captured her party's frustration when she said, "What's the use of spending money on these smaller countries when it only promotes scandal and rumors of money diplomacy? This is harmful to our national image and also a waste of taxpayers' money."²⁰

In its November 1999 White Paper, the DPP stated that: "In order to break through Taiwan's diplomatic stagnation, we must . . . seek creative strategies that can both exploit Taiwan's advantages and expand the international space." In particular, it questioned the wisdom of the KMT-led government's "reactive pattern" and "meaningless competition over the number of formal diplomatic partners." The DPP advocated a more flexible foreign policy aimed at winning over the world with trade, democracy, and soft power rather than dollar diplomacy. It also advocated an intensified effort to seek Taiwanese participation in non-governmental organizations, arguing that "Taiwan's diplomatic practice has overemphasized traditional, formal diplomatic relations, while overlooking non-traditional diplomatic work."

President Chen Shui-bian's first inaugural address in May 2000 reiterated the DPP's new approach to foreign relations. He said:

In addition to strengthening the existing relations with friendly nations, we want to actively participate in all types of international non-governmental organizations. Through humanitarian care, economic cooperation, cultural exchanges and various other methods, we will actively participate in international affairs, expand Taiwan's room for survival in the international arena, and contribute to the welfare of the international community.

Given the DPP's stated positions, observers expected some evolution in ROC foreign policy under President Chen. As it turned out, however, continuity quickly became the dominant theme in the DPP-led government's foreign policy. President Chen was hardly in office when the first test of the new foreign policy direction arose. Taiwan had established diplomatic ties with Macedonia in 1999, a European breakthrough that many Taiwanese thought might pave the way for ties with other Central European states just emerging from the shadow of communism. When the relationship faltered in the early months of the Chen administration, the president followed the pattern set by his predecessors, sending envoys to Macedonia to try and preserve the relationship. His efforts were in vain; Macedonia switched its recognition to Beijing in June 2001.

Once in government, the DPP's rhetoric on foreign policy also changed. Despite the party's long record of criticizing dollar diplomacy, the new

²⁰ Ibid., p. 134.

administration acknowledged the importance of diplomatic ties. Chen's first Minister of Foreign Affairs, Tien Hung-mao, said in a speech at Harvard University, "Like all sovereign states . . . we have the right to maintain formal diplomatic relations with as many countries as choose to reciprocate. To that end, we are doing our best to continuously strengthen and deepened our existing bilateral ties. . . . And we hope that the number of countries who accept us for what we are will steadily increase."²¹ Nonetheless, despite the administration's efforts, a string of countries have left Taiwan's orbit since Chen became president: Nauru in July 2001, Liberia in October 2003, Dominica in March 2004, and Grenada in January 2005; there also is little hope of solidifying ties with Vanuatu, a tiny island state that toyed with Taiwan's affections in the waning months of 2004.

In the end, the transfer of power from the KMT to the DPP in 2000 made little difference in Taiwan's approach to formal bilateral ties. Vice President Lu, who once called dollar diplomacy "harmful" and "a waste," traveled to Latin America in March 2005 to identify a site for a "Taiwan Industrial Park." Costa Rica, for which Taiwan is providing \$15 million in grants and \$35 million in loans for the construction of a highway, is a likely site.

Based on their behavior in office, one can only conclude that DPP politicians underestimated the importance of diplomatic recognition when they were out of government. Ultimately, Ian Taylor of the University of Botswana claims persuasively that diplomatic partnerships provide an important "psychological boost":

The number of Taipei-recognizing nations serves as a litmus test for the ROC's international status. The quality of support is not too important, it is the numbers that count. . . . If this number were to fall drastically, say to around 20, then it is likely that a crisis of confidence would envelop the ROC and its government. Yet, if Taipei is able to maintain the pro-ROC club at a stable figure, or even expand upon this, then Taiwan's own profile is seen as stable and secure within the parameters afforded it by Beijing. The psychological factor in the 'dollar diplomacy' game should therefore not be discounted.²²

Beyond the psychological importance of diplomatic recognition, Taiwan's diplomatic partners are important to its other foreign policy goals, including those emphasized by the DPP. They are indispensable to Taiwan's efforts in the UN, World Health Organization, and other international organizations in which Taiwan would like to participate; their sponsorship of pro-Taiwan resolutions keeps Taipei's petition for recognition on the international agenda.

Government turnover has also had little effect on Taiwan's relations with other countries, including the United States. Here again, the DPP long

²¹ Hung-mao Tien, "Taiwan's Foreign Policy in the New Age," speech delivered at Harvard University, Sept. 6, 2001, at www.gio.gov.tw, p. 4.

²² Taylor, "Taiwan's Foreign Policy and Africa," p. 136.

criticized the KMT's approach, yet when it came to power, its policy was more similar to the KMT's than it was different. Chen has tried on more than one occasion to assert his country's independence from the United States, but ultimately has been unable to reduce the country's dependence.

Perhaps the richest irony in Taiwan politics today is the DPP's fervid support for purchasing arms from the United States. Throughout the 1990s, the DPP accused the KMT-led government of frittering away the nation's resources on unnecessary arms purchases and wasteful military expenditures. DPP legislators including Chen himself crusaded for accountability in military budgets. Nonetheless, when Washington approved a weapons package requested by the previous government, it fell to Chen and the DPP legislative caucus to push through the appropriation for the purchase. Despite paying a heavy political cost, the DPP devoted itself to passing an \$18-billion supplementary budget to buy the weapons. The only convincing explanation for this astounding reversal is the administration's determination to improve its relations with Washington.

The DPP also revised its view on two other of Lee's foreign policy techniques, "vacation diplomacy" and "transit diplomacy, once in government." The DPP's 1999 White Paper criticized the former practice, in which Taiwanese officials tried to score points by visiting "off-limits" countries. Lee Teng-hui's 1995 visit to Cornell University was the most prominent example, but a series of high-level visits to and from the Czech Republic and elsewhere also boosted morale in Taiwan. According to the White Paper, "the implementation of Taiwan's foreign policy has been unable to rise above the constraints of the old-style bureaucratic culture, wasting precious resources on catering to the needs of Taiwanese politicians visiting abroad."

After President Chen took office, however, his advisors quickly learned that vacation diplomacy paid hefty political dividends. The early months of Chen's first term were plagued with difficulties, ranging from attacks on his cabinet by the KMT-dominated legislature to the live broadcast of a failed attempt to rescue workers caught in a riverbed when heavy rains upstream engulfed them, a failure that forced the resignation of cabinet members. The slide seemed irreversible, until Chen stopped in the United States en route to a visit with ROC diplomatic allies in Latin America. Glowing descriptions of the "presidential" reception Chen received in New York and Houston—including meetings with leading US politicians—helped polish up his tarnished reputation. Whether or not the United States gave Chen "presidential" treatment, the experience clearly made Chen look more presidential at home. Chen's second U.S. transit visit, in October 2003, came at a crucial time in his reelection campaign; the warm reception he received may well have been the breakthrough he needed to win a second term. His administration has learned through experience that even if this kind of diplomacy doesn't help Taiwan's international position, it pays hefty domestic dividends. Thus, the once-maligned "transit diplomacy" has become an important item on the agenda in talks with U.S. policymakers.

Taiwan's effort to penetrate international NGOs is popular with all of the island's political parties. Regrettably, however, it is not something Taipei can accomplish unilaterally. The PRC has tightened the noose around Taiwan's political participation in recent years. Beijing's opposition to Taiwan's being given observer status in the World Health Assembly has been unwavering, even at the height of the SARS crisis. If anything, Beijing is working to roll back Taiwan's participation in organizations of which it is already a member. The two sides had barely taken their seats in the World Trade Organization when the PRC delegation began working to downgrade Taiwan's status there.

As isolated as Taiwan is politically, it is bound to expend a great deal of energy debating external relations. After all, a person who is starving thinks of little else but food. Nonetheless, these debates have a sterile, repetitive quality to them. And while bureaucratic politics and policy inertia are hardly unique to Taiwan, time and again the political parties struggle to articulate a position on cross-strait relations and foreign policy, but once in power, are unable to carry out their more creative ideas. Still, the diplomatic strangulation Beijing has imposed upon Taipei leaves Taiwan with few options. With so few countries willing to acknowledge Taiwan's position, even a declaration of independence would likely be a futile gesture, ignored by the international community.

