

Near-term Instability in the Taiwan Strait?

Nationalist Constituencies in the PRC and Cross-Strait Stability

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This article illustrates how growing nationalist pressures in Chinese government and society could pressure governing elites into a demonstration of force in the Taiwan Strait in the near future. In doing so, it challenges the two prevailing orthodox assessments of cross-Strait security. The first views the cross-Strait relationship as tense but stable, the second views war between the US and China in the Strait as inevitable in the long term. In contrast, this article contends that a military crisis is possible in the short term as a result of internal domestic pressures on the leadership. In a crisis over Taiwan, Chinese leadership elites will be under pressure from three domestic sources that could inhibit their ability to pursue a conciliatory solution. These three sources are: hardline elements of the PLA, remaining Third Generation elites, and nationalist segments of the population. It concludes with an examination of the policy implications for all actors in the Strait. In short, it is imperative that the Fourth Generation's Taiwan policy appears to be making progress towards reunification.

Two competing views of the future of cross-Strait relations persist in contemporary literature. The first view is that the China-Taiwan relationship is a tense yet stable balance, underwritten by restraint exercised by Beijing, a burgeoning economic relationship, and clear expressions from Washington of what it views as acceptable behaviour from parties on either side.¹ Cross-strait stability is further ensured by careful management of the Sino-US relationship which is predicated on: deep economic engagement; the containment of short-term crises, such as the CNOOC-Unocal imbroglio; and by mutual reassurances and increased military transparency. Ultimately, both China and the United States have strategic incentives to avoid overt confrontation or conflict with the other.² It is also argued that China's 'smile offensive' aimed at its neighbours may restrict its freedom of action vis-à-vis a military option towards Taiwan.

In addition, Beijing has adopted a softer approach to the Taiwan issue, as evidenced by the conciliatory overtures made towards the island since early

¹ M. Swaine, 'Trouble in Taiwan,' *Foreign Affairs*, vol. 83, no. 2 (March/April 2004), pp. 39-49.

² These include China's desire for economic growth and American pre-occupation with the War on Terror. See B. Taylor, 'US-China Relations after 11 September: a long engagement or a marriage of convenience?,' *Australian Journal of International Affairs*, vol. 59, no. 2 (June 2005), pp. 179-199; Z. Bijian, 'Four Strategic Opportunities for US-China Relations,' *The People's Daily*, 13 July 2005, <www.english.people.com.cn/200507/13/print20051713_195863.html> [Accessed 14 July 2005].

2005, which are designed to court favour with Taiwanese opposition politicians and the populace. This policy takes a long-term view of reunification and is designed to make Mainland China more appealing to the Taiwanese.³ In turn, this stability is reinforced by clear statements from the Bush administration supporting the status quo across the Taiwan Strait, and by a growing willingness on Washington's part to resist Taiwan's independence movement. Thus, war in the Strait is possible only if "either side abandons the restraint that has characterised ... relations for more than a decade."⁴

A competing viewpoint recognises that, in the long term, the status quo in the Taiwan Strait is unacceptable to Beijing, which views its sovereignty as divided. Furthermore, many sectors of the Chinese government view reunification as a prerequisite for China's return to Great Power status.⁵ Despite rhetoric and assurances to the contrary, reunification is China's overarching strategic objective, which can only be achieved at the expense of the United States, which has provided for Taiwan's security since the People's Republic was formed. This zero-sum view also pervades the American side of the debate, and there are those who argue that the US should immediately prepare for the inevitable confrontation.⁶ This preparation would involve upgrading American naval, air and nuclear assets, attempting to limit Chinese economic growth, and covertly supporting separatist movements within the PRC.⁷ This view foresees eventual military conflict between the US and China, sparked by a deterrence failure in the Strait following a Taiwanese provocation of Beijing, most likely concerning constitutional reform or a name change.⁸

These two views form the bulk of the debate on cross-Strait security. In an effort to widen the debate, this article explores an alternative scenario; that the Taiwan Strait may be the scene of a crisis in the near-term future. This proposition was first suggested by James Mulvenon in 2004, when he suggested a cross-Strait crisis coinciding with the 2008 Beijing Olympic Games. In his view, Beijing's stance towards Taiwan hardened with the election of Chen Shui-bien and consequently China could be expected to react militarily to some of his promised policy initiatives.⁹ This scenario no

³ E. Cody, 'China Easing Its Stance On Taiwan,' *The Washington Post*, 15 June 2006.

⁴ H. Kissinger, 'China Shifts Centre of Gravity,' *The Australian*, 13 June 2005.

⁵ E. Medeiros, 'Strategic Hedging and the Future of Asia-Pacific Stability,' *The Washington Quarterly*, vol. 21, no. 1 (Winter 2005-06), p. 158.

⁶ J. Mearsheimer, *The Tragedy of Great Power Politics*, New York, W.W. Norton, 2001.

⁷ See R. D. Kaplan, 'How We Would fight China,' *The Atlantic Monthly*, vol. 295, no. 5 (June 2005), pp. 49-57; B. A. Thayer, 'Confronting China: an Evaluation of Options for the United States,' *Comparative Strategy*, vol. 24, no. 1 (January-March 2005), pp. 71-98.

⁸ T. G. Carpenter, *America's Coming War with China: Collision Course over Taiwan*, New York, Palgrave MacMillan, 2005.

⁹ These policy initiatives included a name change, constitutional reform and possibly a declaration of independence coinciding with the 2008 Olympics. See J. Mulvenon, 'Anticipation

longer appears likely because China has softened its reactions to Chen's rhetoric, in part due to President George W. Bush's remonstrations of Chen. China seems willing to wait until Chen's departure from politics in 2008 to re-engage with the majority government in Taiwan.

Alternatively, this paper explores recent cross-Strait trends and argues that, based on growing nationalist pressures on Chinese policy elites, a case could be made that a military action, not unlike the 1995-1996 missile tests and war games, could occur *prior* to President Chen's exit from politics. Unlike the two views outlined above, this article explores the security of the Taiwan Strait through a lens which accepts that events are not always the result of coherent, centralised, rational security perspectives from policy elites. Given the view by some scholars that the divided sovereignties and identities of East Asia create a situation of perpetual tension, this endeavour has merit as it examines the circumstances under which nationalist forces could constrain the options of rational policymakers.¹⁰

This article examines three sources of domestic pressure which may compel China's leadership to act militarily against Taiwan. The vulnerability of Chinese policymakers to domestic pressure is highlighted by the decision to use coercive force in 1995. In this light, I argue the recent high note in cross-Strait relations is temporary, as it is coloured by domestic political requirements in Beijing, due especially to the vulnerability of the regime to criticism from nationalist sections of the population, the People's Liberation Army (PLA) and from within the Communist Party of China (CPC) itself. Ultimately, if Hu Jintao's Taiwan policy is seen to have failed, he may be pressured into a demonstration of military force similar that in 1995-96.¹¹ The article concludes with an analysis of the policy implications for the three primary actors in the Strait. In short, it is imperative that the Fourth Generation's Taiwan policy appears to be making progress towards reunification.

The Chinese Leadership and Taiwan

Sino-US strategic rivalry has a profound impact on the cross-Strait relationship, particularly because it informs many of the actions of political

is Making Me Wait: The 'Inevitability of War' and Deadlines in Cross-Strait Relations,' *China Leadership Monitor*, vol. 12 (Fall 2004), pp. 1-12.

¹⁰ See T. Berger, 'Set for Stability? Prospects for Conflict and Cooperation in East Asia,' *Review of International Studies*, vol. 26, no. 3 (July 2000), pp. 405-442; L. Buszynski, *Asia Pacific Security: Values and Identity*, London, RoutledgeCurzon, 2003.

¹¹ It is difficult to define what nationalists would determine to be a policy failure. They are not satisfied with the official stance, which is a growing acceptance of the status quo. Ultimately they are dissatisfied with the separation of China. Hence if the acceptance of the status quo in the short term, as dictated by the current policy, appears not to be contributing towards a climate more favourable to reunification, nationalists will pressure the government for more proactive action lest the Chinese nation lose face.

elites on both sides. For Chinese policymakers, American statements supporting the One China principle are undercut by its unofficial defence relationship with the island. For example, the positive note brought by President Bush's rebuke of Chen in December 2003 did not last long. By April of the following year, frustrated Chinese officials were once again asking Vice-President Dick Cheney to reduce American arms sales to Taiwan during his visit to Beijing.¹² In the nationalist view, the Bush administration's 'dyadic deterrence' policy—which aims to deter President Chen from provoking the Mainland as well as deter military action by Beijing towards the island—is undermined by the US military relationship with Taiwan. This in turn is exacerbated by President Chen's pro-independence orientation, which contributes to Chinese fears that Taipei and Washington are conspiring to facilitate Taiwan's legal independence.

Chen is politically obligated to maintain his pro-independence credentials to constituencies on the island, and has continued this stance despite its unpopularity in the December 2005 mid-term elections and throughout the ongoing corruption scandal.¹³ For example, Chen refused to meet with Mainland officials in the wake of Kuomintang (KMT) Chairman Lien Chan's visit to Beijing in early 2005, despite the fact that these visits were popular in Taiwan. Instead, Chen appealed to the growing sense of Taiwanese nationhood, inviting Chinese President Hu Jintao to "see for himself that Taiwan is a sovereign country".¹⁴ This came on the back of his New Year's address in which he called on the Legislative Yuan (LY) to approve the delayed American arms package and again alluded to a possible referendum to change Taiwan's constitution. Beijing's response was muted, as part of its policy designed to court the Taiwanese electorate and opposition politicians. However, there is a danger that Chen's domestic political jockeying and continued polemics will be portrayed as an unacceptable provocation by hardliners in Beijing, who may in turn become dissatisfied with Hu's softer approach towards the island.

In short, one cannot underestimate the role that the Taiwan issue plays in Beijing's domestic politics, and its influence on the legitimacy of the CPC and, by extension, the vulnerability of President Hu Jintao and Premier Wen Jiabao regarding the perceived success of their Taiwan policy. This pressure comes from three sources: retiring Third Generation cadres;

¹² See B. S. Glaser and J. Skanderup, 'Disharmony Signals End to Post-Sept. 11 Honeymoon,' *Comparative Connections*, vol. 7, no. 2 (July 2005), pp. 27-42; B. S. Glaser and J. Skanderup, 'Anxiety About Taiwan Hits New Heights,' *Comparative Connections*, vol. 6, no. 1 (July 2004), pp. 37-47.

¹³ 'Taiwan Opposition Wins Key Poll,' BBC News Online, 3 December 2005, <www.news.bbc.co.uk> [Accessed 4 December 2005]. 'Chen vows to deliver on Constitution', Taipei Times, 29 September 2006, <www.taipetitimes.com/News/front/archives/2006/09/29/2003329634> [Accessed 30 September 2006].

¹⁴ 'Taiwan would welcome visit by Hu, Chen says,' China Post, 4 May 2005.

hardline elements of the PLA; and nationalist segments of the population. The nationalist camp in China may direct its dissatisfaction towards the CPC should its Taiwan policy fail. Thus, it is essential that Hu's Taiwan policy yield results that appease these constituencies, lest the regime come under criticism and pressure.

THE POLICY APPARATUS: THE THIRD GENERATION AND THE PLA¹⁵

The vulnerability of Chinese elites to hardline pressure is underscored by the decision to use coercive force during the 1995-1996 Taiwan Strait Crisis. In January 1995, Jiang Zemin announced his 'Eight Points' policy on Taiwan, which was intended to become the guide for cross-Strait relations in the post-Deng Xiaoping era. The 'Eight Points' represented a radical policy shift for the CPC as it made virtually every point of contention negotiable, and stated that negotiations could occur on an equal footing provided Taiwan accepted the '1992 Consensus'.¹⁶ Consequently, it embodied a significant amount of Jiang's personal political capital.¹⁷ In reply, the then Taiwanese President Lee Teng-hui reiterated his stipulation that Beijing renounce its 'right to use force' as a precursor to talks. This was regarded in Beijing as an outright rejection and "a slap in the face".¹⁸ Concurrently, PLA hardliners pointed to the American decision to grant Lee a tourist visa in 1995 as proof that Washington was encouraging him to actively pursue legal independence from the Mainland. This further embarrassed Jiang as the leadership was caught unaware by President Clinton's decision to grant the visa.¹⁹ Jiang was still consolidating his power after the leadership transition from Deng Xiaoping, and the failure of his conciliatory 'Eight Points' made it impossible for him to oppose the militant position advocated by the hardliners.²⁰ In the event of a crisis over Taiwan

¹⁵ While I consider them separate constituencies, I analyse them together due to the depth of their interactions.

¹⁶ This was reached during in November 1992 during the Koo-Wang talks, whereby both parties agree to adhere to the 'One China' principle, but disagree as to its exact meaning. On the Eight Points see 'Trend of China's Taiwan Policy Crystallizes, Expert Analysis', *People's Daily*, 26 January 2005, <www.english.peopledaily.com.cn/200501/26/print20050126_172025.html> [Accessed 31 January 2005].

¹⁷ S. Hu, 'Prospects for a Cross-Strait Conflict,' in X. Li, X. Hu and Y. Zhong, eds., *Interpreting US-China-Taiwan Relations: China in the Post-Cold War Era*, New York, University Press of America, 1998, pp. 233-256

¹⁸ M. Swaine, 'Chinese Decision Making Regarding Taiwan, 1979-2000,' in D. M. Lampton, ed., *The Making of Chinese Foreign and Security Policy in the Era of Reform*, Stanford, Stanford University Press, 2001, p. 319.

¹⁹ S. Zhao, 'Changing Leadership Perceptions: The Adoption of a Coercive Strategy,' in S. Zhao (ed.), *Across the Taiwan Strait: China, Taiwan and the 1995-1996 Crisis*, New York, Routledge, 1999, p. 116.

²⁰ T. M. Cheung, 'The Influence of the Gun: China's Central Military Commission and Its Relationship with the Military, Party and State Decision-Making Systems,' in D. M. Lampton, ed., *The Making of Chinese Foreign and Security Policy in the Era of Reform 1979-2000*, Stanford, Stanford University Press, 2001, p. 77.

if [it] involves a significant military dimension, senior military leaders and the CMC [Central Military Commission] will also become involved, as was the case during the 1995-96 confrontation.²¹

This sequence of events is significant because it demonstrates the impact hardliners can have on Taiwan policy.

The current Fourth Generation Chinese leadership may come under similar pressure if its Taiwan policy is seen to have failed. In March 2005, Hu Jintao announced his 'Four Points' policy, which complemented Jiang Zemin's 'Eight Points', and represented the Fourth Generation's contribution to Taiwan policy. The 'Four Points' highlighted the leadership's long-term view of reunification as well as the decision to court public opinion in Taiwan through conciliatory overtures, such as reduced tariffs on Taiwanese fruit imports, and the goodwill gift of two panda bears.²² These were preceded in the first half of 2005 by Beijing's initiative of approving direct charter flights to Taipei over the Chinese New Year. Also, in an effort to pressure Chen politically, Beijing hosted KMT Chairman Lien Chan and James Soong of the People's First Part (PFP) in April 2005. By courting Taiwanese opposition politicians, as well as public opinion, Hu and Wen successfully isolated and weakened Chen politically. Afterwards, public opinion polls in Taiwan showed "that a majority of people approved of Lien's visit and the prospect of improved relations with China".²³ However, despite the success of the 'Four Points' policy, its gains were tarnished by the passage of the Anti-Secession Law (ASL) in March 2005.

The circumstances surrounding the passage of the ASL demonstrate the internal political jockeying in Beijing. While it created a legal basis for the Chinese goal of national unification and formally enshrined China's option to use military force, the law was not unexpected; it was announced in December 2004, and has roots dating back to the mid-1990s, when the cross-Strait relationship was more adversarial.²⁴ In light of Beijing's conciliatory overtures, the timing of the document's release seemed counter-productive. However, it is likely that the law was a necessary prerequisite to the conciliatory elements of the 'Four Points' policy. Military backing is essential when one considers that Hu's 'Four Points' represent a slight deviation from Jiang's Taiwan policy in as much as they permit negotiations

²¹ Swaine 'Chinese Decision Making Regarding Taiwan,' p. 309.

²² 'Peaceful Pandas vs. Bellicose Chen,' People's Daily, 7 January 2006, <www.english.people.com.cn/200601/07.html> [Accessed 8 January 2006]. See also 'President Hu's "four Point" Speech Shows Utmost Sincerity toward Taiwan,' The People's Daily, 8 March 2005, <www.english.people.com.cn/200503/08/print20050308_176059.html> [Accessed 8 July 2005].

²³ P. S. Goodman, 'Taiwan Nationalist Cites 'Consensus' with Chinese on Ending Hostilities,' Washington Post, 4 May 2005.

²⁴ Laws on reunification were proposed by delegates at the 8th National People's Congress at the height of the 1996 Taiwan Strait Crisis. See China Daily Reports, FBIS-CHI-96-047, 8 March 1996, p. 71.

with politicians who had previously favoured independence, including President Chen. Similarly, both the ASL and the 'Four Points' are conspicuously vague about the exact circumstances under which force may be used. The ASL states that non-peaceful means may be employed should

the 'Taiwan independence' forces... act under any name or by any means to cause the fact of Taiwan's secession from China, or that major incidents entailing Taiwan's secession from China should occur, or that possibilities for a peaceful reunification...be completely exhausted.²⁵

This statement does little other than codify Beijing's stance on the use of military force against Taiwan, yet the fact that it was enacted during a high note in the cross-Strait relationship suggests that not all elements of the PRC policy apparatus favour a softer line. The ASL can be understood as a demonstration of the Fourth Generation's hardline credentials to the military.

Furthermore, there is evidence that Taiwan policy was subject to inter-generational politics during the latest generational leadership transition (2002-2004). Ahead of this transition, some analysts hypothesised that the Third Generation would attempt to cling to power, or at least continue to influence the new leadership indirectly. Consequently, the new generation would aim to avoid the appearance of weakness on Taiwan policy. This is arguably the reason for the Mainland's refusal of Chen's offer of cross-Strait talks in October 2004. Heated internal policy debates can also be detected over the 'peaceful rise' policy articulated by Premier Wen in December 2003. The theory is widely viewed as an attempt by Hu Jintao and Wen Jiabao to seize the foreign policy initiative from the Third Generation, led by Jiang, who at the time remained head of the CMC. Indeed, some analysts argue that Jiang's 'Shanghai faction' continues to criticise the leadership within the party apparatus.²⁶ The recent purges of the Shanghai leadership under the guise of anti-corruption are viewed as part of Hu's attempt to "wipe out resistance" to his policy agenda.²⁷

The impact of internal hardline pressure on the Fourth Generation becomes more salient when one considers the role of the Taiwan issue in the legitimacy of the CPC. No generation of leaders wants to be remembered for losing Taiwan, particularly given the separatist elements that exist in Tibet and Xinjiang. As Evan Medeiros points out, "in discussing the implications of 'peaceful rise' for the Taiwan issue, most Chinese

²⁵ 'Anti-Secession Law Adopted by NPC (Full Text),' *China Daily*, 14 March 2005.

²⁶ On the first argument see L. Miller, 'With Hu in Charge, Jiang's at Ease,' *China Leadership Monitor*, vol. 13 (Winter 2005), pp. 1-10. On the second point see W. Lam, 'Anti-Japanese Protests Pose Long-Term Challenges for Beijing,' *China Brief*, vol. 5, no. 9 (April 2005), pp. 1-3 and S. Beach, 'Hu Brought Down to Earth,' *Asia Times Online*, 12 October 2005, <www.atimes.com> [Accessed 13 October 2005].

²⁷ J. Khan, 'In Graft Inquiry, Chinese See a Shake-Up Coming,' *The New York Times*, 4 October 2006. It should be noted that this includes economic and reform policy as well as Taiwan and foreign policy.

commentators view Taiwan as an exception.”²⁸ Generational leadership transitions aside, all Chinese leaders take a dim view of ‘splittists.’ Thus, if the recent overtures to Taipei are not reciprocated, or fail to yield positive dividends towards reunification, it is possible that the Hu-Wen leadership could be pressured to adopt a more hardline stance towards the island. As mentioned above, Chen has thus far refused talks with Beijing, and has renewed his vow to proceed with his controversial constitutional reform agenda.²⁹

If the leadership’s Taiwan policy is deemed a failure, hawkish elements of the PLA may pressure Beijing to undertake another military display similar to that in 1995-1996. This is particularly relevant because the PLA is developing the ability to seriously raise the stakes and costs to the United States should it choose to defend Taiwan militarily. This contributes to a belief that the PLA could successfully deter American intervention on Taiwan’s behalf, or at least use its growing nuclear capabilities to control the escalation of a crisis in the Strait.³⁰ For example, in late 2004 the PLA Navy launched its Type 094 nuclear powered ballistic missile submarine. If operationalised with the JL-2 Submarine Launched Ballistic Missile (SLBM), this would give China the ability to strike the continental US from the relative safety of Chinese territorial waters. Moreover, National Defence University President Zhu Chenghu publicly asserted China’s willingness to use nuclear weapons against the US should it intervene militarily in the Taiwan Strait.³¹ While this does not represent the official stance of the Chinese government or of the PLA, it provides a revealing glimpse of the hardline elements at work in the military. David Shambaugh has discovered a surprising willingness on the part of some PLA officers to engage American forces in a Taiwan scenario.³² This growing confidence corresponds with an increased political voice for the military. In September 2004 the commanders of the PLA’s specialized branches, the navy, air-force and the 2nd Artillery (the branch that controls the approximately 750-900 missiles aimed at Taiwan) became members of the CMC, a move which gives these commanders a seat at the decision-making table during crises.³³

²⁸ E. S. Medeiros, ‘China Debates Its “Peaceful Rise” Strategy,’ Yale Global Online, 22 June 2004, <<http://yaleglobal.yale.edu/display.article?id=4118>> [Accessed 26 September 2006]. The policy was subsequently dropped from official use for fear of weakening the credibility of Beijing’s military deterrent to Taipei.

²⁹ K. Bradsher, ‘Taiwan Chief Seeks More arms, Not Better Ties to China,’ The New York Times, 2 January 2006.

³⁰ K. P. Ng, *Interpreting China’s Military Power: Doctrine Makes Readiness*, New York, Frank Cass, 2004.

³¹ J. Kahn, ‘Chinese General Threatens Us of A-Bombs if US Intrudes,’ The New York Times, 15 July 2005.

³² D. Shambaugh, *Modernizing China’s Military: Progress, Problems and Prospects*, Berkley, University of California Press, 2002, pp. 307-311.

³³ Miller, *op. cit.*, p. 9.

POPULAR NATIONALIST FORCES IN CHINA

Hardliners in the government and the military will find it easier to pressure the leadership if popular opinion can be mobilised to support their cause. Domestic nationalist forces are another constituency with the capacity to pressure the leadership in Beijing. Due to the outpouring of popular nationalist anti-Japanese sentiment across China in April 2005, it is worth examining Chinese nationalism in the context of Taiwan. While Taiwan is largely separate from the Sino-Japanese rivalry, parallels can be drawn about the effect of nationalist public opinion on foreign policy, particularly since the Taiwan issue is equally close to the Chinese sense of nationhood.

Since China's economic opening in the late 1970s, the CPC has used nationalism to reinforce its right to rule as it continues to deviate from its Marxist-Leninist ideological foundations. In addition to providing for the needs of the Chinese people, Party legitimacy is also derived from its ability to defend China and redress the 'Century of Humiliation' at the hands of the West. For example, in an editorial marking the 60th anniversary of the defeat of the Japanese, Defence Minister Cao Gangchuan stressed the role of the CPC in the war and argued that the party remains the "steadfast defender of the interests of the nation."³⁴ During the 1990s, Chinese nationalist writings developed an anti-Western orientation, particularly vis-à-vis the United States in its perceived capacity as Taiwan's protector.³⁵ The leadership has used this nationalism pragmatically when it has perceived threats to China's territorial integrity.³⁶ For instance, it was leveraged to garner domestic political support for the coercive use of force against Taiwan in 1996. As Sino-US relations improved following Jiang's state visit to Washington in 1997, the CPC sought to quell nationalist sentiment due to the rapprochement.³⁷

However, the outbreak of violent anti-US demonstrations after the 1999 Belgrade bombing demonstrates the difficulty of state elites using nationalism as a motivating tool. Despite its best efforts, the CPC was hard pressed to control the student rallies which erupted outside American embassies. According to Peter Hayes Gries, the 1999 demonstrations were a product of the victimisation present in the Chinese national psyche, which was exacerbated by the fact the bombing occurred at the hands of the United States.³⁸ Similarly, in April 2005, it appears that the CPC could not

³⁴ 'Cao Writes Article to Mark 60th Anniversary of the Victory of the Anti-Japanese War,' PLA Daily, 2 August 2005, <www.english.chinamil.com.cn> [Accessed 5 August 2005].

³⁵ P. H. Gries, *China's New Nationalism: Pride, Politics and Diplomacy*, Berkeley, University of California Press, 2004.

³⁶ For more on the future of China's 'pragmatic nationalism' see S. Zhao, 'China's Pragmatic Nationalism: Is It Manageable?' *The Washington Quarterly*, vol. 29, no. 1 (Winter 2005-06), pp. 131-144.

³⁷ S. Zhao, 'Chinese Nationalism and Its International Orientations,' *Political Science Quarterly*, vol. 115, no. 1 (Spring 2000), pp. 1-33.

³⁸ P. H. Gries, 'Tears of Rage: Chinese Nationalist Reactions to the Belgrade Embassy Bombing,' *The China Journal*, vol. 46 (July 2001), pp. 25-43.

manage the anti-Japanese protests that raged in China's major cities.³⁹ The CPC calculated, as it did in 1999, that it was better not to be seen as limiting the nationalist expression lest it be redirected towards the Chinese leadership itself. As Gries points out, Chinese nationalism exists as a representation of the Chinese nation, rather than the CPC.⁴⁰ Thus, should the 'Four Points' fail, Chinese nationalists will direct their displeasure at their rulers, severely limiting their policy options.

While the impact of public opinion on foreign and security policy is difficult to quantify, one study has found that Chinese public opinion becomes more salient to the central government when Sino-US relations are tense and/or when Chinese leadership cohesion is low.⁴¹ Thus, should Sino-US relations deteriorate, or if internal leadership debates become heated in the event of a policy failure (as argued above), the Hu-Wen leadership may find its policy options limited to those that are palatable to a domestic audience. This would inhibit its ability to promote a peaceful solution in the face of a provocation from Chen. As Suettinger points out, "Chinese political leaders are vulnerable to perceptions that the policies for which they are responsible are not working."⁴² Moreover, depending on the nationalist climate, the PLA may be able to pressure Beijing to undertake some kind of military action which, while not aimed at retaking the island, would at least demonstrate Chinese resolve and military prowess.

Policy Implications

This article has argued that nationalist pressures from the PLA, Third Generation cadres, and the nationalist segments of the populace may pressure the Hu-Wen leadership to abandon its conciliatory policy and pursue a more militant stance towards reunification. In an ideal world, this could be prevented if the US and Taiwan took steps to ensure the appearance of success of the Fourth Generation's Taiwan policy; however strategic prerogatives in Washington and political realities in Taipei make this unlikely. Nevertheless, creative policy adjustments by the US and Taiwan may help maintain the peaceful status quo across the Strait.

At the strategic level, there is little that can be done to weaken the nationalist view that the US is attempting to contain China's emerging power and interests. Regardless of whether Washington and Beijing continue to have an outwardly cordial relationship and pursue engagement strategies, the

³⁹ M. S. Tanner, 'Beijing's Dangerous Game,' United Press International, 12 May 2005, <www.rand.org/commentary/051205UPI.html> [Accessed 26 September 2006].

⁴⁰ Gries, *China's New Nationalism*, pp. 133-134.

⁴¹ J. Fewsmith and S. Rosen, 'The Domestic Context of Chinese Foreign Policy: Does 'Public Opinion' Matter?' in D. M. Lampton, ed., *The Making of Chinese Foreign and Security Policy in the Era of Reform 1979-2000*, Stanford, Stanford University Press, 2001, pp. 151-190.

⁴² R. Suettinger, 'China's Foreign Policy Leadership: Testing Time,' *China Leadership Monitor*, vol. 9 (Winter 2004), pp. 1-9.

underlying mistrust of American intentions will remain. Washington will not adjust its grand strategy to assuage the concerns of Chinese nationalists, but will likely continue its engagement efforts at the departmental level. Recent military exchanges and the invitation of the Chinese to watch US war games near Guam in June are evidence of this, but they are unlikely to alleviate Chinese nationalist suspicions of American intentions.⁴³ Indeed, it could be argued that displays of military force, no matter how transparent, in fact reinforce the spectre of American military supremacy over the PLA. Rhetorically, the Bush administration is likely to continue its 'Two Voices' tactic towards China, expressing concern about military spending and economic fairness on the one hand, while heralding China's rise in Asia, and expressing adherence to the 'One China' principle on the other.⁴⁴ Whatever benefits these strategies produce for bilateral relations, the anti-American nature of Chinese nationalism, as well as its concerns about the impact of American foreign policy on Chinese interests, are likely to remain.

At the cross-Strait level, there is little that can be accomplished between Beijing and President Chen, barring a radical policy shift by the latter. Premier Wen has reiterated the Chinese willingness to enter into discussions with the president, provided he gives up his pro-independence stance.⁴⁵ However, Chen is unlikely to accept the 1992 Consensus and begin a dialogue as it would seriously compromise him domestically. Chen's decision in late February to dissolve the National Unification Council (NUC), a largely symbolic body established in 1991, is evidence of his continued commitment to the independence movement, not least because he has devoted so much of his political capital to it. Practically speaking, the dissolution of the NUC is irrelevant because it had ceased to function since Chen's election in 2000. However, the step had great symbolic importance to Beijing, which denounced the move as a 'grave provocation' and chastised the US for downplaying the announcement. It is likely that Beijing is content to wait out Chen, who cannot be re-elected after 2008, in the hope that KMT leader Ma Ying-jeou—a moderate expected by many to be the next president—will be more conciliatory. However, Chen's domestic political prerogatives may undermine this strategy. After dissolving the NUC, Chen renewed his intention to reform the constitution before he retires, in an effort to secure some kind of political legacy.⁴⁶ This process would surely be received by hardliners as unacceptable and a failure of the 'Four Points' policy. Constitutional reform was denounced in the strongest terms in China's recent 2006 defence white paper.⁴⁷ Therefore, the best that can be

⁴³ 'China Watches Guam Manoeuvres', *The China Daily*, 21 June 2006.

⁴⁴ Q. Jia, 'One Administration, Two Voices: US China Policy during Bush's First Term,' *International Relations of the Asia-Pacific*, vol. 6, no. 1 (February 2006), pp. 23-36.

⁴⁵ 'Chinese Premier Addresses Media on Major Issues,' *People's Daily*, 15 March 2006, <www.english.people.com.cn/2006/05.html> [Accessed 16 March 2006].

⁴⁶ H. Restall, 'Chen Shui-bian's Last Hurrah,' *Far Eastern Economic Review*, vol. 169, no. 1 (January/February 2006), pp. 34-37.

⁴⁷ *China's National Defense in 2006*, Beijing, Information Office of the State Council, 2006.

hoped for in the short term is that Washington and Taipei take steps to reduce the opportunities for hardliners to point to policy failures.

Washington should take steps to strengthen the hand of moderate elements in Beijing, and weaken the hand of nationalists, while simultaneously doing what it can to encourage Beijing's peaceful overtures towards Taipei. It should continue to publicly rebuke President Chen for his statements and his plan to proceed with constitutional reform. Chen is receptive to American pressure; after a controversial statement in March, he backtracked following a meeting with US envoy Stephen Young.⁴⁸ While this is evidence of Washington's influence over the president, it is small comfort to hardliners in Beijing. Therefore, a more assertive US policy is in order. Washington should condition the transfer of defensive weapons to Taiwan on more moderate behaviour and statements from Chen. President Chen has stated that he is aware that his plans for constitutional reforms cannot pass the opposition majority in the Legislative Yuan (LY), a fact that belies his continued focus on it.⁴⁹ Attaching a condition to the arms package would convey Washington's concerns about Chen's behaviour and limit the grounds for criticism from Mainland hardliners. This would be a significant policy adjustment for the US, due to its congressionally mandated obligations under the Taiwan Relations Act (TRA), and not one easily supported due to Taiwan's continued popularity in Congress, particularly after Beijing adopted the ASL. Nevertheless, if undertaken in conjunction with the US-China Economic and Security Review Commission's recommendation that Congress cultivate deeper institutional linkages with the LY, the move could satisfy all parties.⁵⁰ Closer ties between Congress and the LY may reduce the latter's opposition to the 2001 arms package, which would satisfy pro-Taiwan members of Congress. The Fourth Generation could point to moderate statements from Chen as a success for the 'Four Points', while Chen could argue that he had bolstered Taiwan's defence capabilities. Criticisms from the PLA should be expected, but given the consensus that Beijing holds the advantage in the cross Strait military balance, they would be short-lived. American support is essential for Taiwan's defence capabilities and its admonishments of Chen have worked in the past. As Kenneth Lieberthal notes, the United States has enormous leverage capacity in the Strait since both China and Taiwan value their bilateral relationship with it.⁵¹

The opposition parties in Taiwan also have a stake in promoting the success of the Fourth Generation's Taiwan policy, in as much as the policy takes a

⁴⁸ 'Chen Reiterates Pledge against Independence,' China Post, 22 March 2006.

⁴⁹ E. Cody and A. Faiola, 'Chen Plans Debate on Taiwan Charter,' Washington Post, 14 March 2006.

⁵⁰ US-China Economic and Security Review Commission, Report to Congress 2005, Washington D.C., US Government Printing Office, 2005, p. 16.

⁵¹ Kenneth Lieberthal, 'Preventing War over Taiwan,' Foreign Affairs, vol. 84, no. 2 (March/April 2005), pp. 53-77.

long-term view of reunification and permits the status quo in the interim. Building on the success of the visits in April 2005, and Defence Minister Cao Gangchuan's remarks heralding the role the KMT played in defeating the Japanese, the KMT could engage the PLA itself. This engagement could take the form of visits by KMT officials to selected PLA institutions and the witnessing of a PLA exercise by KMT officials. Greater transparency between former military adversaries would satisfy camps on both sides. The PLA is given a peaceful role in the reunification process, and the KMT can argue that it is committed to a positive and stable cross-Strait relationship. This recommendation should be pursued cautiously however. When under domestic political pressure, Chen often replies with more pro-independence rhetoric, thus he could be tempted to further provoke the Mainland. On the other hand, a PLA-KMT dialogue would strengthen Beijing's argument that it opposes the separatists on the island, rather than the Taiwanese people.

Conclusion

This article has illustrated how growing nationalist pressures in the Chinese government and society could pressure governing elites into a demonstration of force in the Taiwan Strait in the near future. In doing so it has challenged the two prevailing orthodox assessments of cross-Strait security. The first of these, which foresees an enduring tense but stable relationship, understates the influence of growing nationalist trends in Chinese society, as well as the degree to which the reunification issue is tied to the domestic political legitimacy of the Communist Party of China. Nationalism on the part of political and military elites may result in a resurgence of the kind of tension that existed across the Strait before the 1995 crisis. The second position, which views conflict as a likely long-term outcome of China's rise, ignores the compelling disincentives to military conflict; adverse economic consequences and the possible escalation to nuclear war. That these outcomes would result in unacceptable losses to the United States, its regional allies such as Japan and Australia, and to China is reason to explore more creative policy options designed to perpetuate the status quo. In contrast, this article contends that a military crisis is possible in the short term as a result of internal domestic pressures on the leadership. In a crisis over Taiwan, Chinese leadership elites will be under pressure from three domestic sources that could inhibit their ability to pursue a conciliatory solution. These three sources are: hardline elements of the PLA, remaining Third Generation elites, and nationalist segments of the population. Given the policy implications outlined above, all actors in the Strait have an incentive to ensure the success of Hu Jintao's 'Four Points' policy. Of course, a crisis in the Strait in the near future is not a forgone conclusion; the CPC appears content to wait out President Chen and deal with his successor, most likely the KMT's Ma Yingjeou. However, as this article has argued, it will be imperative the Chinese leadership successfully resist nationalist forces in the meantime.

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