

Entangled Web: The Wikileaks and US-China Rivalries over Taiwan⁺

Christopher Y. **Huang***
Korea University

Joseph Tse-Hei **Lee****
Pace University

Abstract

This article draws on the Wikileaks' American diplomatic cables from Beijing and Taipei to examine the joint efforts by China and the United States to prevent Taiwan, particularly under Chen Shui-bian, from drifting into independence. Many observers have long suspected that there has been some informal cooperation on this as neither wants an independent Taiwan. China fears the effect of an independent Taiwan on its territorial integrity, and the United States does not want Taiwan to sour its diplomatic relations and possibly start a war with Beijing. These diplomatic materials demonstrate a qualitative shift in the US strategy from using Taiwan to contain the rise of China towards stabilizing the triangular relationship and maintaining the balance of power across the Strait. A closer study of the cables not only reveal the initiatives that the United States took to counter the Taiwanese pro-independence force, but also indicate that Beijing and Taipei appropriated American influence to pursue their independent agendas in bilateral negotiations.

Keywords: *Wikileaks, Taiwan Strait, Chen Shui-bian, Democratic Progressive Party, Ma Ying-jeou, Nationalist Party, Anti-Secession Law*

JEL classification: *F51, F52, F55, F59*

1. Introduction

As China rises to power in the early twenty-first century, it has pursued a proactive policy of balancing against the United States in different parts of the world. Against this backdrop of geopolitical competition, the Taiwan Strait

remains a contentious issue between the two countries (Lee, Nedilsky and Cheung (eds), 2012). This article draws on the Wikileaks' American diplomatic cables from Beijing and Taipei to examine the joint efforts by China and the United States to prevent Taiwan, particularly under Chen Shui-bian, from drifting into independence. Many observers have suspected that there has been some informal cooperation on this issue as neither wants an independent Taiwan. China fears the effect of an independent Taiwan on its territorial integrity, and the United States does not want Taiwan to sour its diplomatic relations and possibly start a war with Beijing. These diplomatic materials highlight a qualitative shift in the US strategy from using Taiwan to contain the rise of China towards stabilizing the triangular relationship and maintaining the balance of power across the Strait. While Taiwan's domestic politics and its rapprochement with China were solely decided by Taiwanese voters, the United States greatly influenced the cross-Strait interactions. The diplomatic cables from Beijing and Taipei demonstrate not only the US initiatives to counter the Taiwanese pro-independence force, but also the attempts by China and Taiwan to appropriate American influence to pursue their independent agendas in bilateral negotiations. Although the pro-independence initiatives of Chen Shui-bian had sharpened Sino-American tensions in the post-9.11 era, China and the United States prioritized joint cooperation against Islamic terrorism over Taiwan's independence. The election of the Nationalist candidate Ma Ying-jeou as a new president in 2008 marked a turning point in cross-Strait development. Ma ran on a platform to rekindle strong links with China. Ever since his electoral victory, growing cross-Strait ties have stabilized Sino-American relations (Mak, 2012: 126-128).

Methodologically, the absence of other archival sources limits our understanding of the cross-Strait encounters. The leaked American diplomatic cables present two problems for research. The first problem is the reliability of the documents. The global media has consulted the Wikileaks' revelations to address the strategic problems in the US military campaigns in Afghanistan and Iraq, and the corruption of other governments such as the Chinese, North Korean, and Iranian regimes. Even though the American diplomats in Beijing and Taipei tried hard to verify the sensitive data from local informants against a wide range of sources, much of the information they reported in the cables is not new and only confirms what we have learnt from reading materials elsewhere (Page and Spence, 2011; Lefebvre, 2012). The second problem concerns factual discrepancies in the cables. Since other official documents have not yet been released by the American, Chinese, and Taiwanese governments, we have no idea of whether the leaked diplomatic cables provoked much internal policy discussion among the American decision makers, and whether the cables affected US foreign policy guidelines towards Taiwan in general (Shane and Lehren, November 28, 2010). Furthermore,

the triangular relationship between the United States, China, and Taiwan has always been in a flux, and the views of American diplomats and their informants change from time to time. Their perspectives on Taiwan recorded in the cables – what was said in official correspondence to the US State Department in Washington, DC – might differ considerably from the opinions expressed in private. Therefore, one should be aware of the contradictory views expressed in the cables and the complexities of the Taiwan Question in shaping Sino-American relations.

Nevertheless, these methodological challenges are not sufficient reasons for rejecting the leaked cables as historical sources. Because Washington, Beijing, and Taipei have not declassified all the materials about their diplomatic negotiations, these cables occasionally reveal new information such as that China recognized its failure to neutralize the pro-independence force in Taiwan, and enlisted the help of the United States in stabilizing cross-Strait affairs. Such details are political taboos in China, and demonstrate many backchannel negotiations among American, Chinese, and Taiwanese diplomats. In this instance, the need to take sides between China and Taiwan posed a challenge to the US policymakers, who had to balance the American geopolitical interests, the domestic political climate, and the level of cross-Strait tensions that the United States could tolerate in the post-9.11 era.

This article relies on the leaked diplomatic cables to contextualize the new dynamics in shaping the latest development of Sino-American rivalries over Taiwan. Beginning with the presidency of Chen Shui-bian (2000-2008), this study discusses several internal and external forces that influenced the US security calculations in the Taiwan Strait. Then, it assesses the role of Ma Ying-jeou in strengthening ties with China since 2008. Despite ideological differences, these two Taiwanese presidents succeeded in exploiting Sino-American rivalries to advance their respective domestic agendas and gain much diplomatic autonomy for the island.

2. The Reign of Chen Shui-bian (2000–2008)

In 2000, Chen Shui-bian of the Democratic Progressive Party campaigned on a pro-independence stance and was the first politician outside the Nationalist Party to become the president of Taiwan. In his first inaugural speech, Chen pledged to maintain the status quo. First, so long as China did not attack Taiwan, the latter would not declare independence. Second, Taiwan's official status as the Republic of China would remain intact. Third, Taiwan would not enshrine a "state-to-state theory" in its constitution. Fourth, there would be no referendum to seek political reunification with China (Lin, 2011: 73). These pledges were designed to ameliorate the fear of China towards Taiwan's pursuit of independence. Throughout his presidency, however, Chen Shui-bian

embarked on what China condemned a single-minded conspiracy to legitimize Taiwan as a separate political entity, a step short of declaring its independence (Hu, 2011: 63). In 2004, Chen abolished the National Unification Council, founded by the Nationalist Party to manage cross-Strait affairs, and held a referendum on national defence that would authorize Taiwan to purchase the most advanced anti-missile weapons from the United States. In response, China announced the Anti-Secession Law aimed at pressurizing Taiwan not to seek independence.

The initial relationship between Chen Shui-bian and the United States was collegial. In April 2001, George W. Bush promised to do “whatever it took to help Taiwan defend themselves” against China, and authorized the biggest arms sales to Taiwan in a decade (Wang, 2010: 355; Sanger, April 26, 2001). Bush deliberately distanced himself from Bill Clinton’s pro-Beijing stance, and gave strong military support to Taiwan (Swaine, May 5-8, 2005). The US-Taiwanese relations, nevertheless, deteriorated because the overall strategic value of the island declined after the terrorist attacks on American soil on September 11, 2001. When the United States launched the wars on terror in Afghanistan and Iraq, it needed to stabilize its relationship with China in order to gain the Chinese support for its anti-terrorist campaigns (Swaine, May 5-8, 2005). Meanwhile, Chen Shui-bian doubled up the efforts to push for a permanent separation from China. In 2007 and 2008, Chen proposed a referendum on the application of Taiwan for the United Nations (U.N.) membership as an independent state:

In 1971, the People’s Republic of China joined the United Nations, replacing the Republic of China [as a legitimate state for the Chinese worldwide], and causing [the Republic of China] Taiwan to become an orphan in the world. To strongly express the will of the people of Taiwan to enhance Taiwan’s international status and participation in international affairs, do you agree that the government should apply for U.N. membership under the name “Taiwan”?

(Chen, 2009: 4)

Chen Shui-bian was determined to use the referendum to alter the status quo of Taiwan. The referendum triggered a hostile response from China. The Anti-Secession Law stated that “if possibilities for a peaceful reunification should be completely exhausted, the Communist state shall employ non-peaceful means and other necessary measures to protect China’s sovereignty and territorial integrity” (Randt, July 6, 2007). The Chinese last resort was to invade the island. While China bitterly opposed the referendum, it knew that any harsh reaction would antagonize the Taiwanese public and strengthen Chen Shui-bian. Previous attempts by China to bully Taiwan always backfired (Randt, January 17, 2007). In 1995, China conducted large-scale military

exercises and missile tests to protest the visit of former Taiwanese President Lee Teng-hui to the United States, and this led to the landslide victory of Lee in his re-election. In 2000, Chinese Premier Zhu Rongji threatened to attack Taiwan, and the hostile rhetoric led to the first electoral victory of Chen Shui-bian (Wu, 2011: 131). Instead of applying military pressure to subdue Taiwan, China enlisted the help of the United States (Randt, November 1, 2012). This was a significant concession as opposed to the Chinese reluctance to resolve sovereignty disputes in the South China Sea, in which China opposed the US involvement and insisted on negotiating with Vietnam and the Philippines bilaterally.

The major reason that China sought the US intervention in cross-Strait affairs was geopolitical. Exercising much influence in Taiwan, the United States could accomplish what China failed to do through threat and coercion (Wang, 2010: 352). The ultimate goal of China was to prevent Taiwan from declaring independence from the Chinese nation, a de facto territorial and administrative autonomy that Taiwan has already enjoyed since 1949 (Christensen, 2011: 240). China viewed Taiwan as a breakaway province from the motherland and was prepared to use force against any move towards independence. Any change that legalized the status of Taiwan as a separate territorial entity would be disastrous for China. Strong support for the referendum would give Chen Shui-bian a powerful mandate to pursue his pro-independence policies. Therefore, China could not afford to appear weak in dealing with Chen because of the nationalistic sentiment at home. Since China had very few options on the table, working with the United States was the only way to pressurize Chen to suspend the U.N. membership referendum (Randt, June 25, July 6, August 14, September 7, 2007, and February 4, 2008).

The Bush administration initially committed itself to defending Taiwan because under the Taiwan Relations Act, the United States would make defensive weapons available to the island. But the Taiwan Relations Act was vague about the level of American military involvement. It left the option of direct military action to the US President in non-peaceful and coercive circumstances (Hsu, 2010a: 143). The United States supported neither Taiwanese independence nor any change of the *status quo* (Randt, February 4, 2008). The Bush government signalled its opposition to the U.N. membership referendum by making the international transit arrangement for Chen Shui-bian less dignified than the precedents given to previous Taiwanese leaders (Hsu, 2010b: 713). When Chen insisted on holding the referendum, the United States appealed to the Taiwanese public. In 2007, Secretary of State Condoleezza Rice labelled the referendum as unnecessarily “provocative”, and Deputy Secretary of State John Negroponte called the referendum “a step towards a declaration of independence of Taiwan”. Deputy Assistant Secretary

of State Thomas J. Christensen went so far as to address the Taiwanese voters that it was in Taiwan's interest to block the referendum and, once Chen Shui-bian put it on the ballot, to reject it (Lin, 2011: 85–86). The US pressure eroded the popular support for Chen and the opponents of the referendum outnumbered the supporters in the polls (Hsu, 2010: 703-704, 715).

Apart from using the United States to block the referendum, China marginalized Taiwan by stopping Taiwanese participation in international organizations and by targeting its few diplomatic allies. In 1972, Taiwan was expelled from the World Health Organization under the World Health Assembly Resolution 25.1 (Yang, 2010: 333). Twenty-five years later, in 1997, Taiwan requested for readmission into the World Health Assembly as an observer, but China mobilized its allies from the developing world to deny the request at the General Committee of the World Health Assembly. Taiwan made the same request every year and China had it rejected each time (Chang, 2011: 167-168). In a similar fashion, China limited Taiwan's participation in the World Organization for Animal Health, the Internet Corporation on Assigned Names and Numbers, and the Kimberly Process (Young, November 6, 2007). China even launched a global campaign to isolate Taiwan by demanding Taiwan to change its official title to Chinese Taipei or to withdraw itself from international organizations (Wu, 2011: 134-135). For example, in 2007, China pushed for a resolution in the World Organization for Animal Health to support that "there is only one China in the world and Taiwan is an inalienable part of the Chinese territory, and the government of the People's Republic of China is the sole legal government representing all China." The resolution was designed to change Taiwan's status from a full member to a non-sovereign regional member, and to alter its title from the Republic of China on Taiwan to Taiwan, China. The United States and its allies compromised and acknowledged this one-China principle (Wu, 2011: 136). As China becomes more active in global organizations, it has succeeded in forging alliances with many countries to isolate Taiwan.

In 2006, Taiwan had twenty-three diplomatic allies including the Vatican City, Burkina Faso, Sao Tome and Principe, Swaziland, Gambia, Kiribati, Nauru, Palau, Marshall Islands, Solomon Islands, Tuvalu Belize, Costa Rica, Malawi, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Saint Christopher and Nevis, as well as Saint Vincent and the Grenadines (Young, December 6, 2006). The American diplomatic cables indicate a heavy pressure from China to poach the remaining allies of Taiwan. China's economic clout and international prestige made itself an irresistible attraction to Taiwan's few allies. China offered huge amounts of financial assistance which Taiwan could never match (Young, May 23, 2007). From 2005 to 2008, Senegal, Chad, Costa Rica, and Malawi severed diplomatic ties with Taiwan and established normal relations

with China (Young, May 23 and June 7, 2007, January 15, 2008; Randt, July 29, 2008).

After his electoral victory in 2008, Ma Ying-jeou called for a diplomatic truce and strove to reduce cross-Strait tensions (Young, October 3, 2008). China accepted Ma's request, but the decision led to bureaucratic rivalries between the Ministry of Foreign Affairs and the Taiwan Affairs Office in Beijing. The Ministry of Foreign Affairs viewed any diplomatic gain against Taiwan as its departmental success (Randt, July 29, 2008). For each country that switched diplomatic recognition from Taiwan to China, the Ministry of Foreign Affairs would get funds to build a new embassy abroad. The Taiwan Affairs Office, however, argued that the Chinese diplomatic gains outraged the Taiwanese public, who considered China an aggressive bully rather than a peaceful neighbour (Randt, August 21, 2008). Since it was important for Taiwan to keep its remaining allies, China accepted Ma's request for a diplomatic truce in order to improve its public image among the Taiwanese (Young, August 7, 2008).

Despite diplomatic tensions, Taiwan's economic ties with China have improved since 2000. Taiwan's investment in China amounted to US\$2.6 billion in 2000, representing 34 per cent of the country's outward investment. This figure rose to US\$14.6 billion in 2010, around 84 per cent of its outward investment. More Taiwanese enterprises found China an attractive destination for expansion. As the amount of Taiwanese investment in China increased steadily, the percentage of their investment in China's overall foreign direct investment (FDI) actually decreased. During the same time period, Taiwanese investment declined from 6 per cent to 2 per cent in China's total FDI. 40 per cent of Taiwan's exports went directly to China in 2011 compared to 26 per cent in 2001, and Taiwanese exports to the United States, Japan, and the European Union declined in the same decade. China has risen to be the second important trading nation for Taiwan (Chiang, 2012: 73-75).

Taiwan today cannot sustain its economic growth without China (Tsai, 2007). The Democratic Progressive Party and the Nationalist Party expressed different opinions towards the role of China in Taiwanese economy. Seeking to defend the island's sovereignty, the Democratic Progressives viewed integration with China a security threat. Economic integration undermined the island's bargaining power and created a situation where Taiwan lost its ability to act independently (Keegan, March 9, 2006). Even with the suspicion that closer integration posed a long-term threat, some leaders of the Democratic Progressive Party recognized that for the purpose of economic growth, Taiwan had to expand its business engagement with China. This prompted the Democratic Progressives to call for new measures to regulate cross-Strait ties and reduce the island's dependence on a single market (Wang, March 28, 2007).

In contrast, the Nationalist Party regarded economic integration as beneficial to Taiwan (Young, December 6, 2006). Because of their unbreakable ties with Taiwanese businesses, the Nationalists advocated a pro-China policy favourable to their economic patrons, and positioned themselves as the credible intermediaries between China and Taiwan (Wang, February 1, 2007). In 2008, the Nationalist presidential candidate Ma Ying-jeou pledged to normalize cross-Strait relations by implementing the policy of “three links” (i.e., direct postal, transportation, and trade links with China), by reducing restrictions on Chinese investment in Taiwan, and by seeking investment protection and tax agreements with China (Wang, September 12, 2007).

3. The Reign of Ma Ying-jeou (2008-Present)

The 2008 election saw the return of the Nationalists to power and the public’s desire to improve relations with China. Ma Ying-jeou proclaimed to maintain the *status quo* under the principle of “no unification, no independence, and no use of force”, and to uphold the “1992 Consensus”, the bilateral agreement that China and Taiwan belonged to the same Chinese nation, but both sides disagreed on whom would be the legitimate government of China (Ma, May 20, 2008). The moderate gesture by Ma reduced cross-Strait hostility (Wang, 2010: 352).

China found it better to work with Ma Ying-jeou than a pro-independence leader (Piccuta, June 11, 2008). Immediately after the 2008 election, China invited vice president-elect Vincent Siew to attend the Boao Forum for Asia in Hainan Island, where he briefly met with Chinese President Hu Jintao (Chai, 2008: 91). This ceremonial and symbolic meeting represented a new approach to improve bilateral relations. Shortly after Ma took office, China and Taiwan permitted the operation of weekend cross-Strait charter flights and the visits of Mainland tourists to Taiwan (Young, June 13, 2008). In 2009, China allowed Taiwan to join the World Health Organization as an observer (Randt, November 25, 2008; Chang, 2011: 167). By setting aside political disagreements, China solidified the Nationalists against the Democratic Progressives.

It is the priority of the United States to maintain stability in East Asia because cross-Strait ties would encourage political moderation, ease tension, and increase the prospect of a peaceful resolution (Revere, 2012: xvii; Kim, 2005: 758; Kastner, 2006: 319). The Bush and Obama administrations even cautioned their Chinese counterparts that the United States might support another pro-independence initiative by Taiwan if China failed to improve cross-Strait relations (Randt, May 12, 2008). When the Taiwanese media criticized the little progress in cross-Strait dialogues, Stephen M. Young, director of the American Institute in Taiwan, reassured Ma Ying-jeou of

the American support of his administration: “The US is pleased to see the improvement in cross-Strait economic relations, the Director emphasized, adding that we would only be concerned if the PRC tried to impose its will on Taiwan” (Young, August 7, 2008). Any fear about closer integration was outweighed by the benefits of peace and stability it would bring.

Nonetheless, distrust remained between the top Chinese and Taiwanese leaders. Although China offered many concessions to Ma Ying-jeou, these concessions touched on some “thornier” security matters (Piccuta, September 29, 2008). By exploiting economic concessions for political gains, China pressurized Ma Ying-jeou to adhere to the one-China principle (Stanton, September 8, 2009). But gaining trust from Taiwan is different from exercising newfound power. When Stephen M. Young recalled the following conversation between the Chinese and Taiwanese officials, he criticized Beijing for being too keen to assert its newfound power:

He (Wang Yi, Head of China’s Taiwan Affairs Office) told Chien (Fredrick Chien, former Foreign Minister of Taiwan) that there were many suspicions about Ma Ying-jeou in the Chinese leadership. “We have done so much for Ma,” Wang said, “he should do something for us.” Chien said that he pushed back, stressing that Ma “had his problems.”

“You need to understand,” Wang replied, “that we have people very strongly opposed to what we are doing.” Ma needed to do something “to placate these people,” Wang said. He elaborated that China would be “comfortable” if Ma would state the Chinese formulation that Taiwan and the Mainland together constitute one China.

Chien told us [i.e., Stephen M. Young] that he explained to Wang the political difficulties that Ma would have in taking additional steps or making statements that were closer to China’s official line. Chien reminded Wang that Taiwan remains deeply divided over these issues. “Your only hope is Ma, no matter how much you dislike him,” Chien told Wang.

(Young, April, 23, 2009)

In this fascinating conversation, China was convinced that Ma Ying-jeou owed Beijing for winning the 2008 election. Even though the Taiwanese economy was integrated into the Mainland, China lacked political leverage to enforce its will on the island. Because Ma Ying-jeou recognized that his Nationalist government was the only alternative for the Chinese to stabilize cross-Strait ties, he could ignore the demand for accepting the one-China principle.

The threat of the Chinese invasion still loomed over the Strait. To counter this threat, Taiwan needed to modernize its defence system. The US arms sales provided “the fundamental basis of Taiwan’s security and its engagement policy with China” (Stanton, September 2, 2009). In 2008, the US\$6.5 billion

arms sales package included Patriot anti-ballistic missiles, a retrofit for E-2T anti-submarine aircraft, Apache helicopters, Harpoon anti-ship missiles, and Javelin anti-vehicle missiles (Wang, 2010: 356). In 2010, the US\$6.4 billion military package entailed sixty Black Hawk helicopters, 114 Patriot anti-missile systems, twelve Harpoon missiles, two minesweepers, and a command and control enhancement system (Wang, 2010: 364). These weapons strengthened the Taiwanese military in conventional warfare. In 2009, Taiwan worried that the United States might turn down its request for F-16 C/Ds fighter jets. The F-16 C/Ds fighter jets would do little to alter the military balance already in China's favour, but the sale symbolized the American commitment to defending the island (Stanton, November 22, 2012).

Arms sales to Taiwan greatly affected the Sino-American and cross-Strait relations. China regarded the arms sales as a violation of its proclaimed sovereignty over Taiwan (Randt, September 11, 2008). Faced with the anger of Chinese nationalistic youth, who demanded economic and military sanctions against the United States, Lieutenant General Ma Xiaotan criticized the arms sales as "the greatest obstacle in Sino-American relations" at the 10th Sino-American Defence Consultative Talks in June 2009 (Wang, 2010: 364). China, however, chose to prevent the arms sales from hurting its improved ties with Taiwan (Randt, October 23, 2008). As American diplomat Robert S. Wang observed, China and Taiwan separated the military dimension of cross-Strait links from social and economic interactions:

Continued arms sales will not cause Beijing to put the brakes on cross-Strait rapprochement any more than Beijing's deployment of missiles in Fujian province will dissuade the Ma Administration, Ho (Ho Sze-yin, National Security Council's Deputy Secretary General) emphasized. The two sides implicitly understand that the military dimension of the cross-Strait dynamic is separate from the economic and other aspects of the relationship.

(Wang, February 24, 2009)

The failure of China to stop the US transfer of military technology to Taiwan made the one-China principle an illusion more than a reality, but Taiwan could never catch up with the fast-growing Chinese military. From 2001 to 2010, China increased military spending by 189 per cent, an average annual increase of 12.5 per cent (Perlo-Freeman, Cooper, Ismail, Sköns, and Carina Solmirano, 2011: 159). In a meeting with the US-China Economic and Security Review Commission, Ma Ying-jeou stressed that under the Chinese threat, Taiwan should do more than acquiring advanced weapons from abroad (Young, September 25, 2008). Ma continued,

Over the past decade China has greatly enhanced its capacity to "reach" Taiwan with far more accurate and decisive capabilities, and recent analyses question Taiwan's near-term ability to resist coercive force. For example,

the PRC's expanding arsenal of increasingly accurate ballistic missiles can quickly and with complete surprise cripple or destroy high-value military assets, including aircraft on the ground and ships at piers. This emergent capability, plus the acquisition of long-range surface-to-air missiles (SAMs), suggests that the PRC has shifted its anti-Taiwan military strategy away from coercion by punishment towards denying Taiwan the use of its air force and navy. Taiwan therefore faces a threat against which it has not adequately prepared and that offers the PRC a real prospect of achieving success before the United States could intervene. This is a very worrisome development.

(Murray, 2008: 14)

The powerful Chinese military threatened to overrun Taiwan's defence. American scholar William S. Murray proposed a porcupine strategy, an asymmetric defence strategy aimed at enhancing Taiwan's overall capacity in air and naval warfare. Thus, the new Taiwanese thinking incorporated all elements of strategic power projection, including the build-up of conventional military defence and deterrence, the expansion of strategic ties with the United States, Japan and Southeast Asia, the continuation of a moderate approach to China, and the promotion of Taiwanese democratic values and practices among Mainland citizens (Young, January 15, 2008). Whether the United States will defend Taiwan in times of war, whether Taiwan will reunify with China, and whether the Chinese public will pressurize their leaders to invade the island are important questions for the Taiwanese policymakers. Only by comprehending these security calculations can Taiwan maintain its *de facto* independence in the twenty-first century.

4. Conclusion

The Taiwan Question lies at the heart of Sino-American relations to this day. When China recognized its failure to undermine the pro-independence force of Chen Shui-bian through coercive diplomacy, it turned to the United States for help. The electoral victory of Ma Ying-jeou in 2008 suggested that the Taiwanese public were keen to maintain the status quo, expand business ties with China, and serve as an American client state in the Pacific region. In such entangled diplomatic relations, everything has shifted towards China's favour. For Taiwan, the most sensible option is to expand its influence into the Mainland and play a proactive role in China's transformation. This allows Taiwan to preserve its autonomy and stabilize cross-Strait ties. For China, the strategy of economic co-optation has marginalized the pro-independence force. As Taiwan drifts into the Chinese orbit, the Taiwanese politicians have to assess the pros and cons of being closely linked to the Mainland.

In the final analysis, geopolitical rivalries between China and the United States may present Taiwan an opportunity to balance one superpower against

the other. The Obama administration's latest pivot towards the Pacific Rim after years of antiterrorism efforts in Central Asia and the Middle East has made Taiwan an important bargaining chip to deal with China. As long as the United States considers China to be a strategic competitor, it will continue to support the *de facto* independence of Taiwan.

Notes

- + We thank Dr Maria T. Iacullo-Bird of the Center for Undergraduate Research Experiences at Pace University in Manhattan, New York, for supporting this faculty-student research project, and Dr Siu-Keung Cheung of Hong Kong Shue Yan University and the anonymous reviewers for comments.
- * Christopher Y. Huang 黄宇 recently graduated with a B.B.A. in general accounting from Pace University in Manhattan, New York, USA. A recipient of the Korea government scholarship, he is now attending the Graduate School of International Studies in Korea University. <Email: ChristopheryHuang@live.com>
- ** Joseph Tse-Hei Lee 李榭熙 is Professor of history and Co-Director of the Global Asia studies program at Pace University in Manhattan, New York, USA. He received his B.A., M.A., and Ph.D. from the University of London. He authored *The Bible and the Gun: Christianity in South China, 1860–1900* (New York and London: Routledge, 2003; Chinese edition: 《圣经与枪炮: 基督教与潮州社会(1860–1900)》, 北京: 社会科学文献出版社, 2010), and co-edited *China's Rise to Power: Conceptions of State Governance* (New York: Palgrave Macmillan, 2012) and *Marginalization in China: Recasting Minority Politics* (New York: Palgrave Macmillan, 2009). <Email: jlee@pace.edu>

References

Primary Sources: Wikileaks' Diplomatic Cables from Beijing and Taipei

- Keegan, David. March 9, 2006. "An Economic View of Taiwan's Future, U.S. Interests." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/06AITTAIPEI774>
- Piccuta, Daniel. June 11, 2008. "PRC AFM He Yafei, TAO Official Comment on Positive Direction of Cross-Strait Relations." The U.S. Embassy in Beijing. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/08BEIJING2275>
- _____. September 29, 2008. "China Probes Intensified Taiwan Economic Engagement." The U.S. Embassy in Beijing. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/08BEIJING3782>
- Randt, Clark T. November 2, 2006. "Beijing's Taiwan Watchers Warn of Constitutional Lines in The Sand." The U.S. Embassy in Beijing. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/06BEIJING23355>
- _____. January 17, 2007. "Military Think Tankers Stress Taiwan Concerns to EAP PDAS Stephens." The U.S. Embassy in Beijing. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/07BEIJING399>

- _____. June 25, 2007. "MFA Expresses Concern over Arms Sales to Taiwan, Taiwan's Planned Referendum on Joining UN." The U.S. Embassy in Beijing. Retrieved on June 2, 2013 from <http://www.cablegatesearch.net/cable.php?id=07BEIJING4269>
- _____. July 6, 2007. "PLA-affiliated Scholars Warn That Taiwan's UN Referendum May Trigger Response under Anti-secession Law." The U.S. Embassy in Beijing. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/07BEIJING4517>
- _____. August 14, 2007. "Taiwan: Chinese Continue To Express Concern over Chen Shui-bian's UN Referendum." The U.S. Embassy in Beijing. Retrieved on June 2, 2013 from <http://www.cablegatesearch.net/cable.php?id=07BEIJING5326>
- _____. September 7, 2007. "Taiwan's UN Referendum Remains Serious Concern, But Use of Force Unlikely, Contacts Say." The U.S. Embassy in Beijing. Retrieved on June 2, 2013 from <http://www.cablegatesearch.net/cable.php?id=07BEIJING5888>
- _____. February 4, 2008. "MFA Calls Taiwan Election Commission Decision on UN Referendum a 'Calculated Provocation'." The U.S. Embassy in Beijing. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/08BEIJING412>
- _____. May 12, 2008. "TAO Director Chen Yunlin Manages Expectations for Cross-strait Progress." The U.S. Embassy in Beijing. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/08BEIJING1814>
- _____. July 29, 2008. "PRC Mulling over International Space for Taiwan." The U.S. Embassy in Beijing. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/08BEIJING2927>
- _____. August 21, 2008. "PRC Taiwan Expert Comments on Ma's U.S. Transits, New UN Strategy." The U.S. Embassy in Beijing. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/08BEIJING3219>
- _____. September 11, 2008. "VFM Zhang Yesui Stresses Taiwan Arms Sales Will Harm Sino-U.S. Ties." The U.S. Embassy in Beijing. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/08BEIJING3551>
- _____. October 23, 2008. "Contacts Continue To Downplay Taiwan Arms Sales' Impact." The U.S. Embassy in Beijing. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/08BEIJING4080>
- _____. November 25, 2008. "PRC Taiwan Watchers Praise ARATS-SEF Meetings, Comment on International Space, APEC." The U.S. Embassy in Beijing. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/08BEIJING4328>
- Stanton, William. September 2, 2009. "U.S. Partnership Must Balance Cross-strait Ties, President Ma Tells Director in Introductory Call." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/09AITTAIPEI1074>
- _____. September 2, 2009. "National Security Advisor: F-16s A Test Of U.S. Commitment." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/09AITTAIPEI1075>
- Wang, Robert S. March 28, 2006. "Cross-strait Investment: Pace of Liberalization Has Accelerated." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/07TAIPEI704>

- _____. February 1, 2007. "KMT's Cross-strait Dialogue: Economics Now, Politics Later." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/07TAIPEI257>
- _____. September 12, 2007. "Presidential Candidates' Cross-strait Economic Visions." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/07TAIPEI2094>
- _____. February 24, 2009. "NSC Deputy Secretary General on Arms Sales, Foreign Assistance Reform, and Beef." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/09TAIPEI209>
- Young, Stephen M. December 6, 2006. "KMT Vice Chairman P. K. Chiang on Cross-strait Relations, Economic Development, and Domestic Politics." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/06TAIPEI4062>
- _____. December 6, 2006. "China Ratchets up Diplomatic Pressure on Taiwan." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/06TAIPEI4067>
- _____. May 23, 2007. "Taiwan versus China in Africa: Down but Not Out." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/07TAIPEI1154>
- _____. June 7, 2007. "Taiwan Reacts to Costa Rica Break." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/07TAIPEI1283>
- _____. November 6, 2007. "Taiwan Seeks U.S. Support in WHO and Other International Organizations." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/07TAIPEI2445>
- _____. January 15, 2008. "Taiwan Loses Another Diplomatic Partner: Malawi Switches Recognition to Beijing." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/08TAIPEI72>
- _____. June 13, 2008. "Taiwan and PRC Resume Cross-strait Dialogue, Sign Agreements on Charter Flights and Tourism." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/08TAIPEI831>
- _____. August 7, 2008. "President Ma Ying-jeou on Bilateral Relations, Beef, and International Space." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/08TAIPEI1160/>
- _____. September 25, 2008. "USCC Meeting with Taiwan President Ma Ying-jeou." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/08TAIPEI1407>
- _____. October 3, 2008. "Taiwan-Paraguay Ties Appear Stable, But Underscore Fragility of 'Diplomatic Truce'." The American Institute of Taiwan in Taipei. Retrieved on June 2, 2013 from <https://dazzlepod.com/cable/08TAIPEI1434>

Secondary Literature

- Chai, Winberg (2008), "Taiwan's 2008 Election and Their Impact on U.S.-China-Taiwan Relations", *Asian Affairs: An American Review*, Vol. 35, No. 2, pp. 83-94.

- Chang, Jaw-ling Joanne (2011), "Taiwan's Participation in the World Health Organization: The U.S. 'Facilitator Role'", in Cheng-Yi Lin and Denny Roy (eds), *The Future of United States, China and Taiwan Relations*, New York: Palgrave Macmillan, pp. 167-188.
- Chiang, Min-hua (2012), "Taiwan's Economy: Slower Growth and Further Dependence on China", *East Asian Policy*, Vol. 4, No. 1, pp. 68-78.
- Chen, Shiu-an-Ju (2009), "Searching for Consensus in Cross-Strait Relations: Building Bridges among the Next Generation", *Issues and Insights*, Vol. 9, No. 4. Retrieved on June 2, 2013 from http://csis.org/files/media/isis/pubs/issuesinsights_y09n04.pdf
- Christensen, Thomas J. (2011), *Worse than a Monolith: Alliance Politics and Problems of Coercive Diplomacy in Asia*, Princeton, NJ: Princeton University Press.
- Hsu, S. Philip (2010a), "Reappraising the Debate and Practice of U.S. Strategic Ambiguity/Clarity in Cross-Strait Relations", *The Pacific Review*, Vol. 23, No. 2, pp. 139-162.
- Hsu, S. Philip (2010b), "Between Identity Quest and Risk Aversion: Lessons from the Chen Shui-bian Presidency for Maintaining Cross-Strait Stability", *Journal of Contemporary China*, Vol. 19, No. 66, pp. 693-717.
- Hu, Richard W. (2011), "The TRA, Cross-Strait Relations, and Sino-U.S. Relations: Searching for Cross Strait Stability", in Cheng-Yi Lin and Denny Roy (eds), *The Future of United States, China and Taiwan Relations*, New York: Palgrave Macmillan, pp.53-70.
- Kastner, Scott L. (2006), "Does Economic Integration across the Taiwan Strait Make Military Conflict Less Likely?", *Journal of East Asian Studies*, Vol. 6, No. 3, pp. 319-346.
- Kim, Bum Suk (2005), "The Political Economy of Cross-Strait Relations: Economic Opportunities and Political Constraints", *Korea Observer*, Vol. 36, No. 4, pp. 741-760.
- Lefebvre, Jeffrey A. (2012), "Choosing Sides in the Horn of Africa: Wikileaks, the Ethiopia Imperative, and American Responses to Post-9/11 Regional Conflicts", *Diplomacy and Statecraft*, Vol. 23, No. 4, pp. 704-727.
- Lee, Joseph Tse-Hei, Lida V. Nedilsky and Siu-Keung Cheung (eds) (2012), *China's Rise to Power: Conceptions of State Governance*, New York: Palgrave Macmillan.
- Lin, Cheng-Yi (2011), "A Status Quo with Different Interpretations: Taiwan, China, the United States, and Security in the Taiwan Strait", in Cheng-Yi Lin and Denny Roy (eds), *The Future of United States, China and Taiwan Relations*, New York: Palgrave Macmillan, pp. 71-100.
- Ma, Ying-jeou (May 20, 2008), "Taiwan's Renaissance: Presidential Inauguration Address". Retrieved on June 2, 2013 from [http://china.usc.edu/\(S\(fe01a2jxtqwg ozrirkn2dq45\)A\(FBSRwu3sygEkAAAODdiMTQINDEtNDQzYy00N2MwLTk1MTktNWIXNthhNWI4NTg51Ebjm5kqHVrFjkFWNKGeHbSYqbg1\)\)/ShowArticle.aspx?articleID=1304](http://china.usc.edu/(S(fe01a2jxtqwg ozrirkn2dq45)A(FBSRwu3sygEkAAAODdiMTQINDEtNDQzYy00N2MwLTk1MTktNWIXNthhNWI4NTg51Ebjm5kqHVrFjkFWNKGeHbSYqbg1))/ShowArticle.aspx?articleID=1304)
- Mak, Chi-Kwan (2012), *China and the World Since 1945: An International History*, New York: Routledge.

- Murray, William S. (2008), "Revisiting Taiwan's Defence Strategy", *Naval War College Review*, Vol. 61, No. 3, pp. 13-38.
- Page, Mark and J.E. Spence (2011), "Open Secrets Questionably Arrived At: The Impact of Wikileaks on Diplomacy", *Defence Studies*, Vol. 11, No. 2, pp. 234-243.
- Perlo-Freeman, Sam, Julian Cooper, Olawale Ismail, Elisabeth Sköns and Carina Solmirano (2011), *SIPRI Yearbook 2011: Armaments, Disarmament and International Security*, Oxford: Oxford University Press.
- Revere, Evans J.R. (2012), "Preface", in C.X. George Wei (ed.), *China-Taiwan Relations in a Global Context: Taiwan's Foreign Policy and Relations*, New York: Routledge, pp. xvi-xxii.
- Sanger, David E. (April 26, 2001), "U.S. Would Defend Taiwan, Bush Says", *The New York Times*.
- Shane, Scott and Andrew E. Lehren (November 28, 2010), "Leaked Cables Offer Raw Look at U.S. Diplomacy", *The New York Times*.
- Swaine, Michael D. (May 5-8, 2005), "Taiwan's Management of Relations with the United States during the First Chen Shui-bian Administration", paper prepared for the Harvard-SOAS Conference on the First Chen Shui-bian Administration at Annapolis, Maryland. Retrieved on May 1, 2013 from http://carnegieendowment.org/files/swaine_taiwan2.pdf
- Tsai, Shin-Yuan (2007), *Globalization Effects on China's Influence on Taiwan Economy*, Frankfurt, Germany: Peter Lang.
- Wang, Jianwei (2010), "United States and Evolving Cross-Strait Relations", *Journal of Chinese Political Science*, Vol. 15, No. 4, pp. 351-369.
- Wu, Jaushieh Joseph (2011), "The United States as a Balancer in Cross-Strait Relations, 2000-2008", in Cheng-Yi Lin and Denny Roy (eds), *The Future of United States, China and Taiwan Relations*, New York: Palgrave Macmillan, pp. 121-148.
- Yang, Che-Ming (2010), "The Road to Observer Status in the World Health Assembly: Lessons from Taiwan's Long Journey", *Asian Journal of WTO and International Health Law and Policy*, Vol. 5, No. 2, pp. 331-353.