The International Standing of the Republic of China on Taiwan*

Michael Yahuda

In the 1990s Taiwan began to pose a complex new challenge to the international community. At issue is Taiwan's attempt to revise the so-called "one China" policy as it had been previously understood. By seeking to be treated as a separate state that was distinct from mainland China, Taiwan was embarking on a new approach that confronted the Beijing government with what it saw as the totally unacceptable prospect of secession by a renegade province that would in effect subvert China's unity and national coherence. The leaders in Beijing have repeatedly warned that they would use force to prevent such a development and they have followed up these warnings with intimidatory military exercises – as exemplified in March 1996 by missile tests that threatened the approaches to Taiwan's two main ports. That in turn has challenged the international community as a whole and the United States in particular. China's readiness to use force threatened to undermine stability in East Asia and to put at risk the economic dynamism of this crucial part of the international economy. It further challenged the American commitment to uphold peace in the region and its somewhat ambiguous commitment to defend Taiwan.

Taiwan's previous acceptance of the "one China" principle by which both sides of the Taiwan Strait accepted that there was but one China (even though they disagreed as to which was the legitimate ruler) had seemed to serve the interests of all the parties involved. By the end of the 1980s close economic ties had developed across the Strait that were a major factor in the emergence of "Greater China" as a fulcrum of economic growth and as a focal point for the intensification of "people to people" and cultural ties between the different Chinese communities.[1] Taiwan had all the advantages of independence except the formalities of an internationally acknowledged sovereignty. It was entirely self governing, had its own armed forces, a *de facto* security alliance with the United States and extensive economic relations with more than 160 countries and regions across the world as well as formal diplomatic ties with some 30 states. It enjoyed a growing prosperity as it ranked the 14th largest volume trader in the world. In terms of per capita GNP it ranked 25 (better than some countries classified as developed by the UN). It had amassed the world's second largest foreign exchange reserves. But there were dynamic forces at work that necessarily challenged the basis of this seemingly satisfying state of affairs. Beijing itself was pledged to press

* I wish to thank Shaw Yu-ming and David Shambaugh for detailed comments on an earlier draft of this article, and indeed the other participants of the 20–21 November 1995 conference on "Contemporary Taiwan."

1. For analyses of the various dimensions of these see David Shambaugh (ed.), *Greater China* (Oxford: Clarendon Press, 1995) based on *The China Quarterly*, Special Issue No. 136 (December 1993).

for unification on its own terms especially once sovereignty had been regained over Hong Kong and Macau in 1997 and 1999 respectively. But more important was the surge towards establishing a new political identity within Taiwan.

Taiwan's domestic politics are necessarily intimately tied to the question of relations with the mainland. Since that has been an important question in Sino-American relations and the character of international security in the Asia-Pacific since the 1950s, it is also an international question. In the case of Taiwan, as Samuel S. Kim has rightly observed, "domestic and international legitimation are mutually complementary."[2] The process of democratization was at once a product and an instigator of a dynamic change to the domestic order which could not but alter the basis of Taiwan's claim to international recognition. As martial law was abolished, opposition parties legalized and legislative bodies rejuvenated, the character of the political system began a process of transformation that has moved from authoritarian politics to one based on elections, culminating in the election of the president in March 1996. As a democratic polity Taiwan could no longer claim to represent the whole of China, as its government drew its authority from its electorate alone. In this sense the exercise of democracy may be seen as a form of self-determination that serves as a new basis on which Taiwan can claim international recognition. Such a claim is even more subversive of the position of the Beijing government, which derives its sovereign claims to the territorial bounds and inhabitants of the People's Republic of China (PRC) from history as the successor to imperial China and Republican China through triumph in a revolutionary civil war rather than from an exercise of self-determination. Furthermore a Taiwanese claim that is based on democracy and self-determination will elicit particular sympathy from liberal democracies in the West especially in the aftermath of the Cold War, even if in practice these may be constrained by the necessity of accommodating the PRC.

The Taiwan question is highly important for the international community and the Asia-Pacific region in particular. At stake is more than the issue of justice. The outcome would shape important dimensions of the geopolitics of the Asia-Pacific as a whole and also make a considerable difference to the way China may emerge as a power of global significance. The Taiwan problem in one form or another has been central to Sino-American relations since 1950. Indeed Taiwan has been of great significance for both powers. It is located at the centre of the huge crescent of islands sweeping down from Japan in the north to the Philippines and Australia in the south that have played a key role to this day in the deployment of American power in this part of the world. It sits astride the major sea lanes linking North-East and South-East Asia and its destiny is therefore of interest to Japan who had possessed it from 1895 to 1945. By the same token it has been seen by Beijing as an unsinkable

2. Samuel S. Kim, "Taiwan and the international system: the challenge of legitimation," in Robert G. Sutter and William R. Johnson (eds.), *Taiwan in World Affairs* (Boulder: Westview Press, 1994), p. 170.

"aircraft-carrier" that hostile powers have used and could use again to threaten its eastern seaboard.

This article first looks at the origins and development of Taiwan's new approach, before considering the legal implications of its international position. It then examines the development of Taiwan's foreign policy that has been called "flexible" or "pragmatic" diplomacy and the response this has evoked from the regional and international communities. It concludes with a discussion of the different dynamic trajectories that shape the development of this seemingly intractable international problem.

Taiwan's New Approach

The origins of Taiwan's new approach stem from a peculiar conjunction of domestic and international politics that made its previous position untenable. The writing was on the wall when the United States finally switched its recognition from the Republic of China (ROC) to the PRC in January 1979. The abrogation of its security treaty with the ROC was mitigated by the provision within the domestic jurisdiction of the U.S. of the Taiwan Relations Act which among other things included a commitment to provide Taiwan with sufficient weapons to defend itself and an assurance that any hostile action taken by Beijing against Taiwan would be regarded as a matter of "grave concern" to the U.S. on which the President and Congress would consult and take "appropriate" action.[3] Although the switch was predictable ever since the rapprochement between Washington and Beijing took place in 1971–72, Taipei had not prepared itself properly and took time to respond adequately. In 1971 Taiwan (or rather the ROC) was replaced at the United Nations by the PRC and the majority of member states shifted their recognition from Taipei to Beijing, so that the ROC found itself replaced in the leading international governmental organizations by the PRC. The American de-recognition was a final blow to its remaining faint credibility to represent China as a whole.

Taiwan in fact immediately found that it had to defend itself against a new approach from Beijing which set aside its previous policy of seeking to "liberate" Taiwan from the Kuomintang (KMT) in favour of a new policy of "re-unification" that under the guise of "one country two systems" would allow Taiwan to retain KMT rule, its capitalist economic system and its own defence forces in return for acknowledging the sovereignty of the PRC. Although the overture was immediately rejected by Taipei and the requests for direct links were summarily dismissed with the "three nos" (no contact, no compromise and no negotiations), the position of the KMT was not sustainable in the long run. As the 1980s unfolded Beijing's economic reforms and openness took root and changed both the political and economic climate of the region. Taiwan

3. Taiwan Relations Act, Congressional record, House 125, No. 38, 16 March 1979: H1668-70.

also found that it had to compromise on the subject of its formal name as the Republic of China or face exclusion from important aspects of international life. Thus in 1984 a team was sent to the Los Angeles Olympics as "Taipei, China." Moreover Taiwan's trading position was being threatened increasingly by, among others, China in association with Hong Kong, as its key markets in the United States and Japan were being challenged by competition from the cheaper labour force on the Chinese mainland. Additional pressure for change came from within Taiwan itself, from the new middle class that had emerged as a consequence of growing prosperity.

By the mid-1980s President Chiang Ching-kuo, who had assumed power after the death of his father Chiang Kai-shek in 1975, recognized the need for reform and, against the advice of many of the old stalwarts of the KMT, accepted the inevitable. In 1987 martial law was abrogated, allowing political parties to be formed and to compete in elections, and the other instruments of dictatorial control were soon lifted, allowing freedoms of assembly, association and the press. The political exiles who had demanded an end to dictatorship and many who had also called for independence returned from abroad or were released from detention. Chiang also appointed a native Taiwanese, Lee Teng-hui, to be his vice-president. Before his death in January 1988 Chiang Ching-kuo broke the taboo on negotiating with the mainland and he further allowed visits to be made to the mainland on "humanitarian" grounds. By this stage economic links across the Strait were beginning. Even in 1987 indirect trade was valued at $1.4 billion, but now that the flood gates had opened economic relations swelled rapidly to reach nearly $3.5 billion in 1989, $7.4 billion in 1992 and $16.5 billion in 1994.[4]

However it was the *political* change that led to the transformation of both Taiwan's domestic and international identities. Domestic politics became localized: the legislative institutions were constituted largely by elections within Taiwan rather than by remnant mainlanders, for example. Additionally, the opposition Democratic Progressive Party (DPP) began to push for Taiwanese independence and for the deepening of the democratization process by ending the hegemonic position of the KMT and eliminating the remnants of its dictatorial role. Meanwhile the KMT itself began to fracture between the Old Guard and the reformers. The latter under the leadership of President Lee Teng-hui became the mainstream faction (*zhulin pai*). This in turn led to a breakaway group called the New Party that represented the interests of many of the original mainlanders and their descendants. In short Taiwan was evolving into a different political community.

This necessarily affected relations with the mainland. As was to be expected, Beijing objected violently to the independence programme of

4. For a clear and succinct account of the history of the developments summarized in the last two paragraphs see Simon Long, *Taiwan: China's Last Frontier* (London: Macmillan, 1991), chs. 7 and 8, pp. 158–226. For the trade figures see Table 8 in Gary Klintworth, *New Taiwan, New China: Taiwan's Changing Role in the Asia-Pacific Region* (Sydney: Longman Australia, 1995), p. 305.

the DPP and sought to intimidate the electorate against voting for it at the December 1991 elections for the National Assembly: President Yang Shangkun warned the "handful of splittists" that "whoever plays with fire will perish by fire."[5] Meanwhile, under the leadership of Lee Teng-hui, the KMT began to manoeuvre itself into becoming the representative of all the people on Taiwan and therefore moved to a certain extent in the direction of the DPP. (It also hoped to win over potential DPP voters.) But the KMT had to balance that with the need to hold faith with key elements of the long-established KMT position in favour of a "one China" policy. If it were to stand for an independence revoking links with China it would marginalize the position of the mainlanders and their descendants and make a radical break with its own past as the founding party of Chinese nationalism, and it would disinter its pantheon of leaders Sun Yat-sen, Chiang Kai-shek and Chiang Ching-kuo. Instead Lee Teng-hui chose to square the circle of promoting independence and upholding a Chinese identity by suggesting that there should be two states within the framework of one Chinese nation. He argued that Taiwan was already *de facto* an independent state and that it should be recognized as the Republic of China on Taiwan (ROCOT) and just as the ROCOT did not rule the Chinese mainland so the PRC did not rule Taiwan. But as they were both part of China by reason of history, geography and culture they should unite once their differences had narrowed as a result of the mainland becoming democratic and acquiring similar levels of prosperity.

The International Dimensions

The Republic of China on Taiwan bases its claim to be recognized as a separate sovereign state alongside the People's Republic of China on several grounds. Among the most important of these addressed to the international community are that it exercises effective independent government over a territory of 14,000 square miles and 21 million people; that it is the world's 14th largest trading nation; that it disposes of the second largest foreign exchange reserves in the world; that it ranks as the world's sixth largest outbound investor; and that, within the constraints of not being formally recognized by the United Nations and the majority of states in the world, including the most powerful and influential, it plays an active and constructive role in international affairs. Moreover, as it has also traversed the course from dictatorial to democratic politics, the ROCOT may also advance its claims on the basis of self-determination.[6]

Accordingly, its government rejects the argument that the status of ROCOT must first be agreed with the government in Beijing. This is regarded as unjust on moral grounds and impractical on political grounds

5. *Renmin ribao* (*People's Daily*), 10 October 1991, in Foreign Broadcast Information Service, *Daily Report: China* (FBIS-CHI), 15 October 1991, p. 33.

6. For the latest authoritative statement see the white paper issued by the Ministry of Foreign Affairs, Taipei, *The Republic of China on Taiwan and the United Nations* (Taipei, Central News Agency [henceforth CNA], 11 September 1995, in BBC *Summary of World Broadcasts* (*SWB*) FE/2409, pp. F1–F5.

since it would go beyond granting Beijing a veto to giving it the initiative entirely. As long as "both sides of the Taiwan Strait agreed there is one China," to quote the formula adopted by the United States in the famous Sino-American Shanghai Communiqué of February 1972, it was possible for the international community to evade judgment by tacitly following the American government's statement that it did not "challenge that position." But the nature of the Taiwan problem changed for the international community when President Lee Teng-hui declared in May 1991 that the civil war with the mainland was over and urged all concerned to "accept the reality that, within overall Chinese boundaries, there exist two political entities which exercise jurisdiction over two separate parts of China."[7]

Taiwan in effect began to contest openly the earlier arrangement by which it co-existed with the mainland as a separate entity formally recognized by only some 30 states, but treated by the overwhelming majority in practice as an effective state. The arrangement had been a source of problems from time to time for the United States in conducting relations with Beijing and Taipei, but it had nevertheless proved to be workable in practice. In a more circumscribed way this had also been an issue for the international community with regard to membership of international organizations. For example, the terms of Taiwan's participation in such bodies became a perennial problem once it had been ejected from the United Nations in 1971 and especially after the ROC indicated that it would accept other names for the purpose of membership. In the 1980s this led to highly publicized tussles which saw the ROC refuse the terms offered for continued membership of the International Criminal Police Organization (Interpol) and accept the unique terms offered by the Asian Development Bank (ADB). Because of Taipei's exceptionally good standing with the ADB and the American threat to withhold funding, the ADB refused to accept Beijing's demands that it replace the ROC. Eventually Beijing reached a compromise by which the PRC was admitted as China's sole legitimate representative and Taiwan remained under the new designation of "Taipei, China."[8] But this was an unusual case as on the whole the PRC was able to prevail in most of the international organizations.

The Problem of Taiwan's Legal Status

The international dimensions of Taiwan are usually addressed in terms of its international status. That is fundamentally a question of law, or more specifically, international law. Although international lawyers tend to regard Taiwan as a special case they disagree as to how the territory's status should best be understood. Apart from the question left over from the Second World War as to whether or not it was legally part of China,

7. "ROC terminates hostilities towards Peking," *Free China Journal*, 2 May 1991, p. 1.
8. For a detailed account of these and related matters, see Kim, "Taiwan and the international system," esp. pp. 157–166.

it is unclear what its rights and obligations are as an entity administered by an effective government exercising independent foreign relations which is not, however, generally recognized as a state by the large majority of other states. The nub of these disagreements and uncertainties is in practice a matter of politics rather than law. For example, the issue of recognition by other states is decided by the calculation of interest rather than legal principle.[9] Moreover even where legal principle is invoked, such as on the relative merits of self-determination and the legitimacy of statehood as derived from succession to an historical predecessor, the principal consideration in shaping the response of governments will be political rather than judicial.

Since it will be more productive to examine the political rather than the strictly legal dimensions of Taiwan's international identity it will be better to do so by employing the more avowedly political concept of international standing. Although this may appear to be more nebulous it has the merit of focusing attention upon the variety of ways in which Taiwan interacts with the international community and its system. The legal approach associated with status (which may seem to promise greater precision) will be found in practice to lead either to an impasse because of incompatible legal principles or to a focus on politics as the key determinant. By using the concept of international standing it will be easier to examine issues that may take a legal form but are in substance political, such as diplomatic recognition, membership of international organizations, bases of participation in international society and so on. It will also facilitate analysis of the adaptability of international society to the Republic of China on Taiwan, the variable impact of Taipei's new diplomatic initiatives and the differing international responses to the rival claims for legitimacy emanating from Taipei and Beijing. The complexity of the issue may be adduced from the variety of responses that have to be taken into account in considering the respective claims to legitimacy, ranging from those of "Greater China" to those of domestic politics in certain Western democracies.

Even the question as to whether the island of Taiwan should be considered to be a part of China is a matter of legal dispute. "On one view, the legal status of Taiwan remained undetermined even after the renunciation of Japanese claims in the Peace Treaty with Japan."[10] This view of course found favour with the advocates of Taiwan's independence. However, until 1991 both the Communist government in Beijing and the Nationalist government in Taipei held that Taiwan was legally a part of China and that the problem was which of the two governments was the rightful ruler. Up until then other states were invited, as it were, to recognize one or the other. Beijing still adheres to the view that Taiwan

9. Hungdah Chiu, *The International Legal Status of the Republic of China* (Baltimore, Maryland: Occasional Papers/Reprint Series in Contemporary Asian Studies, revised version, No. 5, 1992), pp. 3–7.

10. Louis Henkin, Richard Crawford Pugh, Oscar Schachter and Hans Smit, *International Law, Cases and Materials* (St. Paul, Minn.: West Publishing Co., 1st ed. 1980, 2nd ed. 1987), pp. 208 and 278, respectively. Cited in Hungdah Chiu, *The International Legal Status*, p. 10.

is part of its sovereign territory and it refuses to countenance formal diplomatic relations with any state that has established official relations with the government in Taipei at ambassadorial or consular levels. This also used to be the position of the government in Taipei for the four decades after 1949 when it established there the seat of government of the Republic of China. On that basis the legal status of Taiwan was declared by one legal scholar to be "that of a consolidated local *de facto* government in a civil war situation."[11]

From 1991 Taipei has not only changed the practice of mirroring Beijing's line but positively sought to find ways in which it could escape its diplomatic isolation by testing the limits which Beijing might find acceptable. It attempted to do so by establishing a consulate general in Latvia in 1992 only to find that Beijing suspended diplomatic relations with that country soon afterwards. It was more successful with Vanuatu in September 1992 and Papua New Guinea in May 1995 where the establishment of "mutual recognition" (*xianghu chengren*) between the two governments did not involve the exchange of ambassadors and did not lead to the suspension of relations by Beijing. This demonstrated that at least as far as small states were concerned a degree of flexibility could be displayed by both sides.[12] Meanwhile the 30 or so states that had formal diplomatic relations with the ROC, or in its new guise since 1992 as the ROCOT, have been unable to establish formal relations with Beijing. Nearly all these states recognized the ROC as the lawful government of the whole of China and not just of the territory and people under its direct jurisdiction. Taipei has not called upon them to alter the terms of recognition to the more limited claims of sovereignty that it has endorsed since 1991. This is also true of those small Third World states whose recognition the ROCOT has "bought" through "dollar diplomacy" since 1992. A degree of ambiguity necessarily remains. Table 1 also testifies to the efforts put in by the Ministry of Foreign affairs to improve the standing of the ROC as the overwhelming majority of the states that recognize it did so after its expulsion from the UN in 1971.

However, whatever the disagreements about the legal title to Taiwan and its precise legal status, the authorities who have pronounced on the issue agree that Taiwan is ruled effectively and exclusively by a *de facto* government that exercises independent foreign relations and is subject to international law.[13] This means that in practice the ROCOT is duty bound to observe international treaties and conventions including those to which it has not been a party. Examples that have led to controversy in recent years include the ROCOT's exclusion from the 1987 Montreal Protocol to protect the Earth's ozone layer and the UN-administered Convention

11. J. Crawford, *The Creation of States in International Law* (London: Oxford University Press, 1979), p. 151, as cited by Hungdah Chiu, *The International Legal Status*, p. 11.

12. Christopher Rene Hughes, *National Identity and Status in International Society: Taiwan in Chinese Nationalism* (London: Ph.D. thesis, L.S.E., University of London, 1995), pp. 274–75.

13. Hungdah Chiu, *International Legal Status*, pp. 3–14 where several American and European legal scholars are cited to this effect.

Table 1: **States that Recognize the ROC**

Region	*Name*	*Date of recognition*
The Asia-Pacific	Kingdom of Tonga	10 April 1972
	Solomon Islands	24 March 1983
	Tuvalu	19 September 1979
	Republic of Nauru	4 May 1980
Africa	Burkino Faso	2 February 1994
	Central African Republic	8 July 1991
	Gambia	13 July 1995
	Liberia	9 October 1989
	Malawi	pre-1971
	Niger	19 June 1992
	South Africa*	1976
	Swaziland	pre-1971
Europe	Vatican	pre-1971
Central and South America	Bahamas	10 January 1989
	Belize	October 1989
	Costa Rica	pre-1971
	Dominican Republic	10 May 1983
	El Salvador	pre-1971
	Grenada	20 July 1989
	Guatamala	pre-1971
	Haiti	pre-1971
	Honduras	pre-1971
	Nicaragua	November 1990
	Paraguay	pre-1971
	St Christopher and Nevis	October 1983
	St Lucia	May 1984
	St Vincent and Grenadines	pre-1971

Notes:

List supplied by the Press Division of the Taipei Representative Office in the UK. It is current as of 1995. Since then diplomatic relations have also been established with Senegal.

The ROC also has Consulates General in Calabar, Nigeria and Riga, Latvia.

Dates are supplied where recognition took place after the ROC lost the UN seat in 1971.

* On 27 November 1996 the South African president announced that recognition would be shifted to Beijing in a year's time.

on International Trade in Endangered Species (CITES). It has an ill-defined position in Interpol from which it withdrew in protest in 1984, but with which it co-operates for practical purposes. Even its application to join the GATT/WTO as a customs territory is controversial, as in the event of its compliance with the terms of entry Beijing has insisted that it should not be allowed to join before the PRC.[14] Moreover Taiwan's

14. For an excellent discussion of these and related matters see June Teufel Dreyer, "Taiwan's position regarding transnational issues," in Sutter and Johnson, *Taiwan in World Affairs*, pp. 113–143.

Table 2: **Taiwan (ROC) Membership of Inter-Governmental Organizations**

Name of organization	*Date of establishment*
Asian Development Bank	22 August 1966
International Cotton Advisory Committee	5 September 1939
International Office of Epizootics	25 January 1924
Asian Productivity Organization	11 May 1961
Afro-Asian Rural Reconstruction Organization	31 March 1962
Food and Fertilizer Technology Center for the Asian and Pacific Region	24 April 1970
Central American Bank for Economic Integration	31 May 1961
South-East Asian Central Banks	1966
International Seed Testing Association	1921
Asian Vegetable Research and Development Center	22 May 1971
International Commission for the Conservation of Atlantic Tunas	21 March 1969
Inter-American Development Bank	8 April 1959

Note:
The list was supplied by the Press Division of the Taipei Representative Office in the UK and it is current to the end of 1994.

weak legal status has apparently worked to its disadvantage in negotiating about practical matters of considerable interest to it even with an ally which is legally bound to treat it as a legal entity. Thus one can argue that Taipei had to accept a poorer deal on fisheries than it might otherwise have bargained with the United States mainly because of its dependence on the U.S. but also because of "Taiwan's insecurity over her diplomatic isolation."[15] It will be seen from Table 2 that all the inter-governmental organizations of which Taiwan (ROC) is still a member were established before its expulsion from the UN in 1971.

One effect of the restraints of the legal status that Beijing has imposed on the ROCOT has been to restrict its membership of international organizations. In particular Beijing has sought to exclude the ROCOT from membership of international government organizations (IGOs)

15. Mark Mon-Chang Hsieh, *The 1989 U.S.–Republic of China (Taiwan) Fisheries Negotiations* (Baltimore, Maryland: University of Maryland, Occasional Papers/Reprints Series in Contemporary Asian Studies, No. 4, 1991), p. 3.

where only sovereign states are members. The ROCOT has had more leeway in the case of international non-governmental organizations (INGOs) where sovereignty is not a condition of membership. As a result of employing considerable ingenuity in the use of names the ROCOT was able to retain membership of several IGOs, but here too there were struggles as Beijing sought names which implied that Taiwan was a province of China. A variety of names proliferated such as "Chinese Taipei," "Taipei, China" and "Taiwan, China." In the end (by 1993) President Lee Teng-hui took the view that the substance of independent membership mattered more than the formalism of the name.[16] By the end of 1992 Taiwan was a member of 12 IGOs and 695 INGOs. Its IGO membership had dropped from 37 in 1966 while its INGO membership had increased nearly four-fold.[17] In this area too the ROCOT was straining to test the limits of what was acceptable to Beijing, as well as endeavouring to enlarge the area of its engagement with the international community.

With the narrowing of the claim of representation as a result of democratization, and the assertion of separate governance over the 21 million people associated with the replacement of the name ROC to ROCOT, has come a redefinition of the claims to represent Chinese on the mainland and these overseas. While the ROCOT still claims to be associated with both sets of Chinese they are not regarded as citizens with an entitlement to vote. Nevertheless a form of representation has been found for them in the new Legislative Yuan elected on 2 December. In common with the practice established in 1992, of the 164 seats 30 were reserved for the people nation-wide (that is, on the mainland) and another six for the overseas Chinese. The seats were distributed among the parties in accordance with their overall vote.[18] Thus the ROCOT has found a compromise by which its claims to be sovereign over a part of China can be reconciled with the earlier claim of the ROC of sovereignty over the whole of China and over the overseas Chinese too. The compromise also sustains its claim to stand for the reunification of China and for patrimonial responsibilities towards overseas Chinese without undermining the narrower confinement of full citizenship to residents of Taiwan proper. The change of the legal status of the nation and of citizenship was significant in terms of national identity and domestic politics, but its international consequences were negligible.

"Flexible Diplomacy" (wushi waijiao)

This diplomacy has its origins in the attempt to escape the strait-jacket imposed by the "one China policy" when the balance of advantages shifted against the ROC in 1971–72. In February 1973 the then Premier

16. 1 September 1993 interview with delegation of international scholars invited to a conference organized by the DPP.

17. Kim, "Taiwan and the international system," Table 5.4, p. 160.

18. Susan Yu, "Legislative election plan set," *The Free China Journal*, 6 October 1995, p. 1.

Chiang Ching-kuo outlined a strategy of "total diplomacy."[19] This called for the mobilization of all available resources including the political, economic, scientific, technological, cultural and sporting to develop "substantial" links with states that had transferred diplomatic recognition to Beijing. The goal was not only to escape isolation, but to use Taiwan's international standing to gain political advantage.

The first bilateral relationship to develop unofficial relations was that with Japan. Upon its transfer of diplomatic recognition to Beijing the Japanese government pioneered the creative arrangement by which Taipei and Tokyo exchanged unofficial offices that were in practice staffed by diplomats whose official status was temporarily suspended. That enabled commercial, cultural and other exchanges to continue and indeed grow. But as the most important country second only to the United States for both Beijing and Taipei, Japan treated Taiwan with great circumspection especially in view of its history as the colonial ruler of Taiwan and the invader of China.[20] Indeed for the first 20 years since normalizing relations with Beijing Japan was more cautious in handling Taipei than any of the G7 countries. Its senior ministers did not visit Taiwan and the few visits by ministers from Taipei were met on terms that can only be called low key. An element of the right wing of the Liberal Democratic Party has traditionally sought to cultivate relations with Taiwan and has accordingly excited the interest of Beijing. Nevertheless Japan recently followed the European example of upgrading the name of the ROC office in Tokyo from the "Tokyo Office of the East Asian Relations Association" to the "Taipei Economic and Cultural Representative Office in Japan." This has been described as a "small step, of considerable symbolic importance."[21] It also reflected a growing Japanese concern about the increasing assertiveness of China after the end of the Cold War.[22]

In 1994 the Japanese angered Beijing by inviting President Lee Teng-hui to attend the 12th Asian Games in Hiroshima. Under considerable pressure from Beijing, Tokyo eventually relented – but only to invite Vice-Premier Hsu Li-teh, the highest ranking official from Taiwan to visit Japan since 1972. The following year the Japanese Minister for International Trade and Industry Ryutaro Hashimoto (who later became Prime Minister) broke new ground by meeting his Taiwanese counterpart

19. Fu Jen-kun, *Taiwan and the Geopolitics of the Asian-American Dilemma* (New York, 1992) p. 79; cited in Hughes, *National Identity*, p. 275.

20. An account that explains in some depth the significance of Japan in the development of Taiwan may be found in Klintworth, *New Taiwan, New China*, chs 2 and 5, pp. 26–53 and 110–141 respectively.

21. Ralph N. Clough, "The Republic of China and the international community in the 1990s," in Bih-jaw Lin (ed.), *Comtemporary China and the Changing International Community* (Taipei: Institute of International Relations, English Monograph Series No. 45, 1993), pp. 142–43.

22. For examples of Japanese concern see Kazuko Mori, "China's pivotal role in the Asia-Pacific community," *Japan Review of International Affairs*, Vol. 9, No. 3 (Summer 1995), pp. 228–234; and Shinkichi Eto, "China and Sino-Japanese relations in the coming decades" *ibid.*, Vol. 10, No. 1 (Winter 1996), pp. 16–34.

Chiang Ping-kun on an official basis.[23] By the time the PRC sought to intimidate Taiwan's voters with military exercises that in March 1996 included firing missiles to within 30 miles of Taiwan's major ports the Japanese Prime Minister openly asked China to exercise "self restraint." Moreover the Japanese authorities let it be publicly known that they were sending a naval vessel to monitor China's exercises as the tests off Keelung were only 60 miles from Yonakuni Island and were disrupting fishing operations.[24] Although the Japanese principal concerns were not about Taiwan *per se* their response to China's military exercises showed the larger strategic significance of the issue to Japan and the region. The following month, in April 1996, the Japanese Prime Minister Hashimoto and U.S. President Clinton agreed that Japan should take a more active role in assisting the United States with regional security. The fact that they were able to put behind them the ramifications of the rape incident on Okinawa was in part caused by the Japanese public's response to Chinese bellicosity the month before. The new Japanese–American agreement did not entail any specific provisions for the security of Taiwan, but it highlighted the strategic significance of the maritime approaches to the island.

Elsewhere Taipei has developed a range of policies to be targeted at different categories of states. As mentioned above, it has targeted the smaller and impecunious states of the developing world for what has been called "dollar diplomacy." In some cases this has entailed "buying" formal diplomatic relations from nearly ten LDCs since 1988.[25] In other cases dollar diplomacy of a more sophisticated kind is designed to consolidate existing relations, as in the case of the important country of South Africa, and to upgrade relations with substantive Western countries. Thus some European countries have changed the name of the unofficial representative offices in their respective capitals and have headed them with more senior diplomats (whose formal positions were technically suspended for the duration of the appointment).

The economic diplomacy has served several goals in addition to raising levels of diplomatic recognition. It has diversified and deepened Taiwan's economic interactions throughout the world, thus reducing the dependency on the United States, Japan and mainland China. Mutual trade and investment with key European countries and in South-East Asia has increased rapidly in recent years. Thus the approximate value of total trade between Taiwan and the United Kingdom, Germany and France grew from $5 billion in 1986 to $13 billion in 1994 and that for the ASEAN countries in the same period grew even more spectacularly from $3 to $18 billion.[26] By the same token it has improved the ROCOT's international standing. Taipei has also sought to present itself as an

23. David Shambaugh, "China and Japan towards the twenty-first century: rivals for pre-eminence or complex interdependence?" in Christopher Howe (ed.), *China and Japan: History Trends and Prospects* (Oxford: Clarendon Press, 1996), p. 92.
24. *SWB* FE/2551, p. S1/11 and FE 2561, p. E1.
25. Kim, "Taiwan and the international system," p. 152.
26. *Taiwan Statistical Data Book 1994*.

international benefactor and to this end it established an International Economic Co-operation Development Fund to help friendly states upgrade their economies. With a capital of $430 million in 1993 it provided soft loans in 1994 among others to Poland ($20 million), the Philippines, Paraguay and Latvia ($10 million each) and Vietnam ($5 million).[27] Taipei has provided an extensive range of technical aid especially to countries in Africa and Latin America.

Taiwan's economic muscle has also been used in the international arms market which after the end of the Cold War became a buyer's market. As David Shambaugh's contribution to this volume illustrates, in addition to the highly publicized agreements of 1992 to purchase 60 Mirage 2000-5s and 150 American F-16 A/B fighter aircraft, Taiwan in recent years has acquired the technologies or the actual complete weapon systems to deploy a wide range of air defence missiles, surface-to-surface missiles, helicopters and naval craft. It has sought external military supplies at times by offering privileged access to its own market. Following a careful examination of the subject Harlan W. Jenks concluded that Taiwan made these concessions in part "because its *primary* goals in the arms market are neither military, technological, nor economic, but political" (emphasis in the original). He continued to observe that the political purpose served security needs: "In addition to weapons and technologies, Taiwan enters the arms market seeking friends, influence, and international legitimacy – all of which provide 'situational deterrence'."[28]

The problem that Taiwan has experienced in using its international standing for political and diplomatic purposes is that this standing is necessarily relative to that of the PRC, which has improved as the consequences of the Tiananmen killings have receded and as its economic significance has grown. By 1993 France had bowed to pressure from Beijing to restate its commitment to a pro-PRC "one China" policy (even though the sale of the Mirage fighters and other military equipment is apparently scheduled to proceed). In the same year Germany decided not to export up to ten submarines and ten frigates to Taiwan in part because the German Foreign Ministry calculated that the potential loss of trade with the PRC could "massively exceed" the value of the proposed deal with Taiwan.[29]

The deepest problem that Taiwan faces with its pragmatic diplomacy is the inherent contradiction between the economic necessity of developing economic exchanges with the mainland Chinese while simultaneously seeking to separate the island as the ROCOT from the PRC. The economic links are necessary for the well-being of Taiwan and for its

27. *Free China Journal*, 17 June 1994. For a detailed account of aid policy see Teh-chang Lin, "The ROC's foreign aid and southward policy," *Issues and Studies*, Vol. 31, No. 10 (October 1995), pp. 1–20.

28. Harlan W. Jencks, "Taiwan in the international arms market," in Sutter and Johnson, *Taiwan in World Affairs*, p. 95.

29. "Taiwan submarine veto," *Far Eastern Economic Review*, 11 February 1993, p. 14; and "Germans block sale of submarines, frigates," *Jane's Defense Weekly*, 6 February 1993, p. 7 cited in *ibid.* p. 92.

future role as "Regional Operations Centre," while political separation as a sovereign state is seen as inescapable if Taiwan's new political identity is to find room to express itself and to protect it from being swallowed up in the embrace of the mainland.

Domestic pressure is forever pressing Taiwan's leaders to test the existing limits placed on the territory's international status. It causes them to try continuously to extend the parameters of Beijing's forbearance. That carries with it the risk of provoking Beijing, with incalculable consequences – as happened in the case of Lee Teng-hui's visit to the United States in June 1995. Even if it can be argued that Taipei emerged from the crisis with more gains than Beijing, the crisis also entailed some salutary lessons for Taiwan. Although the United States came to its protection this time there was nevertheless irritation in Washington at the prospect that important dimensions of its China policy should be determined in Taipei. Taipei cannot afford to be seen as the provocateur. Secondly, Beijing showed that it was prepared to risk a great deal in order to uphold its national prestige and sovereign claims, and Taipei cannot depend on Beijing following a rational calculus of costs and gains on this issue especially as Beijing is undergoing a problematic political succession. Finally, Beijing's campaign of military intimidation was also designed to show the depth of its determination to the world at large, and Taipei must know by now that if forced to choose between Taipei and Beijing most of the world will choose the latter.

"The Southward Policy"

The nuances of avoiding this stark choice apply in particular to the East Asian neighbours who have to calculate the political and strategic balance of advantages as well as the more straightforward economic ones in deciding how to deal with Taipei and Beijing. In that respect Taipei's "southward policy" has met with relative success to date. Leaving aside for a moment comment on the special case of Singapore, President Lee Teng-hui and his Prime Minister Lien Chan made breakthrough visits to the Philippines, Indonesia, Malaysia and Thailand over the New Year period of 1993–94 despite the objections of Beijing. But when put in the awkward position in 1995–96 of being asked to condemn Beijing for its military bullying of Taiwan, most of the South-East Asian leaders preferred to keep their views to themselves. Apart from Singapore's Senior Minister Lee Kuan Yew, who is regarded in Beijing as perhaps one of the family, none of the other leaders dared to criticize Beijing. President Marcos of the Philippines went further than most when he said he would be "very concerned...should there be anything that would disturb the peaceful atmosphere in our region...."[30]

But as long as the Taiwan issue did not involve confrontation across the Strait the "southward policy" could prove to be quite successful for Taipei. Claiming to be on "vacation," first Premier Lien Chan in Decem-

30. *SWB* FE/2543, p. B/3.

ber 1993 and January 1994, and then President Lee himself over the Chinese New Year in February visited several countries in South-East Asia. The two Taiwanese leaders were treated in a fashion appropriate for state guests: they met state leaders and in the case of Thailand that included the king and queen. The meetings were ostensibly focused on economic matters, but wider issues appear to have been discussed as when, for example, Lien suggested that the ROCOT could become a founding member of Dr Mahathir's proposed East Asian Economic Community.[31] Beijing protested loudly against this "vacation diplomacy," but unlike the 1995 visit by Lee Teng-hui to the United States it chose not to respond with countermeasures.

The "southward policy" reflected a desire to avoid becoming excessively dependent upon economic ties with the mainland. In early 1994 Taipei took steps to ease bureaucratic barriers and provide incentives for trade and investment in South-East Asia. By the end of the year Taiwan had become the largest investor in Vietnam, the second largest in Thailand and a major investor in the South-East Asian countries generally.[32] Although the economic calculations of comparative advantage may alter from the perspective of Taiwanese investors and cause shifts in the patterns of investment, the Taipei government is obviously committed as a matter of long-term strategy to increase the incentives for investment in South-East Asia. Similarly, the governments of the region have seen benefit in not only attracting additional investment but also in co-operating with Taiwan to develop agriculture, industrial zones, various economic projects, and in transferring technology and managerial expertise. Additionally, economic relations with Taiwan are seen as a useful balance to the commercial influence of the PRC in the region.[33] The policy also yielded significant political gains as Thailand and the Philippines extended support for Taiwan's application to enter the GATT/WTO and Indonesian ministers visited Taiwan. When Beijing took Malaysia to task for entertaining the Taiwanese leaders, the Malaysian Foreign Minister responded by pointing out that his country could not overlook the economic position of Taiwan and that it reserved the right to engage in discussions and exchanges with Taiwan.

Taiwan has long had a special relationship with Singapore. It is an open secret that military forces from Singapore have regularly trained in Taiwan for many years. The former Prime Minister and now Senior Minister, Lee Kuan Yew, has visited Taipei many times since the 1970s. Indeed, as a frequent visitor to the PRC, Lee has the rare distinction of enjoying the confidence of both Taipei and Beijing.[34] It was appropriate

31. "Lien's trip improves Southeast Asian ties," *Free China Journal*, 7 January 1994, p. 1.

32. Taiwanese investment in South-East Asia was estimated at $15 billion in early 1994. See Julian Baum, John McBeth and Rodney Tasker, "In his private capacity: President Lee scores points in holiday diplomacy," *Far Eastern Economic Review*, 24 February 1994, pp. 18–19. See also Klintworth, *New Taiwan, New China*, ch. 6, pp. 142–170.

33. Baum *et al.*, "In his private capacity," pp. 18–19.

34. Klintworth, *New Taiwan, New China*, pp. 154–55; and Long, *Taiwan: China's Last Frontier*, p. 157.

therefore that Singapore was chosen as the venue for the first meeting of the heads of Taiwan's Straits Exchange Foundation (SEF) and Beijing's Association for Relations Across the Taiwan Straits (ARATS) in 1993. It is also striking that Beijing refrained from openly criticizing Lee Teng-hui's presidential visit to Singapore in 1989 or his stopover there in the course of his vacation diplomacy at the turn of the year 1993–94, when the visits to three other ASEAN states were subjected to open criticism. Moreover Lee Kuan Yew discussed with his visitors from Taiwan how both islands could work together to develop the Chinese island province of Hainan.

Interestingly, the peripatetic Lee Kuan Yew visited both Beijing and Taipei in August 1995 at the height of Beijing's displeasure with the leaders in Washington and Taipei and during the period of the mainland's testing of missiles within a hundred miles of the northern coast of Taiwan. The Singaporean leader reported that the Beijing leaders described the Taiwan issue as a "family matter" and he denied speculation that he had acted as a mediator between the two sides: "I have in the past, at the request of one or both sides, conveyed their views to each other, but I have not mediated as such. Any compromise to resolve the difficulties, they have made themselves."[35] That would suggest the role of a facilitator rather than a mediator. Yet in early 1996 he had no compunction against warning Beijing that its military exercises were excessive and potentially destabilizing.[36]

Lin Bih-jaw, former director of the Institute of International Relations in Taipei and currently Deputy Secretary General of the ROC National Security Council, has recently spelt out Taiwan's strategy for developing sustained regional linkages that will "lead the country to identify its interests and concerns more with Asia and the Pacific."[37] Being excluded from the security related inter-governmental ASEAN Regional Forum (ARF) and other security dialogue governmental and non-governmental (such as CSCAP) institutions, Taipei has carried out a number of unilateral initiatives with the enhancement of regional and cross-Strait security in mind. According to Dr Lin, the ROC has "adopted transparency and confidence-building measures" that include the publication of white papers on defence, foreign policy and relations with the mainland. These involve "available information on military arrangements, defense posture and armament together with data on foreign relations, economic aid programs and policies towards the mainland." Taipei has additionally announced recently details of new policy initiatives called the Asia-Pacific Regional Operations Centre. In Dr Lin's words, "the trend again moves toward further reintegration with the region in manufacturing, sea and air transportation, financial services, telecommunications and media

35. Kyodo News Service, 30 August 1995, in *SWB* FE/2396, p. F/2.

36. Lee Kuan Yew interviewed in *Time* Magazine (4 March 1996) warned that Asian countries were concerned about what kind of China was emerging and said that China would be balanced "only if the Americans are anchored here along with Japan."

37. See Lin Bih-jaw, "Security in Straits area: a view," *The Free China Journal*, 26 May (p. 7) and 2 June 1995 (p. 7).

products." The objective is to link cross-Strait exchanges with economic interactions with South-East Asia.

In essence Dr Lin argues that the objective of these various initiatives is to build on the existing cross-Strait exchanges to develop "a new subregional order in which people-to-people interactions substitute for official channels to enhance mutual understanding of the two societies." After calling upon Beijing to follow Taipei in foreswearing the use of force to impose unity he envisages that the two political entities would be pledged to establish a unified China. On that basis he maintains it would be possible to link their "bilateral building blocks into multilateral ones." Meanwhile he recognizes that a "nation cannot attain international stature and safeguard its security fully by economic means alone" and he anticipates that "as Taiwan's economic presence in the region grows, its economic partners may have to give it a larger role in regional affairs." Recognizing that the process will be "subtle and incremental," Dr Lin expects that Taipei "will continue to cultivate a careful convergence of interests in her relations with the mainland and Southeast Asia, hoping that new opportunities will emerge to improve the country's position in both regional and mainland affairs.[38]

This interesting account of the thinking that underlies Taipei's diplomacy is notable for the way in which the various strands of foreign policy are being drawn together. The bilateral cross-Strait exchanges are related to the southward policy which, while economic in form, has the ultimate aim of integrating Taiwan into co-operative regional security arrangements that will involve China too. Perhaps it is easier to identify the ultimate objective than to specify the steps by which it can be reached.

Overhanging all this are the perspective and policies of Beijing. Dr Lin's strategy in the end depends on whether the other countries of the Asia-Pacific can impress upon the PRC the unacceptably high costs that would result from an attempt to resolve the Taiwan problem by force. The role that the United States might seek to play is crucial. As the contribution to this volume by Tom Robinson argues, the American commitment to deter the use of force by the PRC remains ambiguous despite the despatch of two carrier-led battle groups in March 1996 in response to the Chinese attempt to intimidate the Taiwan electorate by military means. There can be no assurance that the United States would do so again. Although Beijing too would be uncertain as to how the United States might respond to any future military challenges it may pose to Taiwan, it has indicated by the military exercises that it conducted from June 1995 to March 1996 that it is prepared to take risks and pay a heavy economic price to prevent Taiwan from pursuing independence or a separate statehood.

The South-East Asian governments will not wish to risk antagonizing Beijing over Taiwan, especially as they seek to reduce the PRC's potential threat to the stability of their region through the policies of

38. *Ibid.*, 2 June 1995, p. 7.

constructive engagement that aim to build a co-operative framework for security. However they would also not wish to appear to be appeasing Beijing, for example by being seen to give in to it as a result of its demonstration of force. Consequently they can be expected to continue to respond favourably to initiatives from Taiwan that are couched in economic terms while recognizing that these could establish complex webs of interdependence that would contribute to the stability of the region as a whole. They might even respond favourably to the establishment of "second track" networks with Taiwan modelled on CSCAP provided that these were formulated with sufficient care so as not to be seen to involve governments directly. At the CSCAP meeting in Canberra on 6–7 December, Beijing's representatives were admitted on the basis that experts from Taiwan may be called in from time to time on an individual basis. The key to the willingness of neighbours to participate would be the state of relations between Taipei and Beijing. The greater the tension between them the greater the difficulties Taipei would experience in deepening its regional ties. But tension across the Taiwan Strait also entails regional costs for Beijing as the prospect of regional instability could jeopardize its strategy of economic engagement with Asian-Pacific countries that has been deemed necessary for its economic development. Thus Beijing has not attempted to restrict Taiwan's economic relations in South-East Asia. Not only would political interference by the PRC be resented in the region, it would also be seen as a portent of a dangerous future when Beijing might seek to use its economic weight for other political purposes. Consequently, Taiwan's increasing economic interactions with South-East Asia could be seen as a stabilizing element in the PRC's treatment of Taiwan. But at the same time Taipei would have to exercise care that it should not be perceived within the region to have unnecessarily provoked Beijing. In other words, the economic factor probably works as a constraint on both sides. It would seem therefore that if Dr Lin's strategy were to succeed it would paradoxically have to depend on not antagonizing Beijing unduly.

The Bid to Enter the United Nations

In 1993 the Taiwan government took a major foreign policy initiative in seeking to gain entry into the United Nations. The bid enjoys considerable support within Taiwan and it serves a double purpose from the perspective of President Lee. On the one hand it steals a march on the opposition DPP and on the other it has thrown Beijing on the defensive diplomatically. Most observers believe the attempt to be futile because of the weight of the PRC within the UN system. But it has yielded propaganda advantages as it publicizes the claims of the ROCOT for recognition and ensures that its case maintains a high profile on the international public agenda. Clearly it is more dangerous for the people of Taiwan to be ignored or overlooked than it is to be seen to be thwarted by China at the UN. The apparently forlorn attempt to be considered for entry is in fact an opportunity to address the international community on

terms of Taiwan's choosing. It is also an opportunity to engage Beijing in open public debate. It was the ROCOT's first appeal to the UN to be considered for entry that elicited a full "white paper" from the PRC.[39] In practice, however, the ROCOT has made little progress. Its third successive attempt in 1995 again failed to have the issue considered by a committee of the General Assembly. Although Taipei was able to point to a small increase in the number of supporting states, these were still drawn from among the 30 who formally recognize the ROC. Beijing still had a comfortable majority to strike the issue from the agenda and, unlike Taipei, it had the backing of UN heavyweights such as India and Russia.

But undaunted, Taipei can be expected to continue to apply year after year as within Taiwan the bid has come to symbolize Taiwan's claim for recognition by the international community and it enjoys significant domestic support especially by the DPP. Technically, as the interested party, the PRC should not be able to exercise its vote in the Security Council and there is nothing to stop the General Assembly from debating the matter. But given the enormous weight that the PRC exercises within the UN system it should be able to use the procedures of the UN to ensure that Taiwan's case is simply not brought before the General Assembly. Barring any sudden political change in the PRC that may affect Beijing's attitude or its standing in the UN, Taipei can be expected to raise the issue year after year only to find progress blocked by Beijing at the first hurdle. It remains to be seen whether Taipei may try at some stage to use its bid as a bargaining counter in negotiations with Beijing. Meanwhile it has become part of the propaganda war between the two sides.

Conclusions

The international system or international society may be thought to be excessively attached to the legal forms of sovereignty, but it has proved to be remarkably adaptive to the circumstances of Taiwan. Lawyers may regard it as *sui generis*, but nevertheless room has been found for it in the various identities in which it has been represented since 1949. It is also clear that considerable support exists within the Asia-Pacific region, North America and Europe for the continuation of the status quo. It is one which is seen to serve the interests of the people on both sides of the Taiwan Strait – even if it is not seen by them as ideal. In this view the PRC is able to maintain the pretence of a "one China" policy with sovereignty based in Beijing while in practice dealing with the ROCOT as a separate administrative entity. The ROCOT in turn exercises *de facto* independence as a major international economy that is able to use self-defence. The current situation is no bar to trade, travel, cultural and educational exchanges with the outside world. Practical experience since 1972 has shown that any difficulties and discourtesies which citizens of

39. Xinhua, 31 August 1993, "The Taiwan question and the reunification of China," issued under the aegis of the Taiwan Affairs Office and the State Council Information Office. *SWB* FE/1783.

the ROC may experience in foreign travel are amenable to being settled by administrative means without invoking the question of sovereignty. From this perspective it would be argued that the existing situation is workable and acceptable; any changes should therefore be agreed first between Taipei and Beijing.

That raises difficult problems for both Taipei and Beijing. Since both appear to demand a change in the legal status of Taiwan that is unacceptable to the other they must seek international support in addition to such attempts as they may make to consolidate their own domestic positions and change the views of the other. In this sense they must seek to utilize such international standing as they may have for this purpose. The dynamic for change may be said to be generated from within each of the two societies and hence may lead to actions that might seem irrational from the perspective of the outside world. But since the economies of both sides are increasingly dependent on external relations and interdependent on each other, and since increasing economic prosperity is closely associated with the domestic legitimacy of the Beijing government in particular, the international community can act as a restraining factor in militating against precipitant action by especially the PRC. But Taipei's international standing cannot be taken for granted as in this context it is relative to that of Beijing. Accordingly, prudence is required especially in avoiding the appearance of being unduly provocative to Beijing at a time of difficult political transition.

Yet, as has been shown, domestic pressures within Taiwan and the dynamics of the situation leave the newly elected President Lee Teng-hui with little alternative except to keep on pressing against the outer limits of Taiwan's current status. Hence there will be continued attempts, for example, to gain entry into the United Nations. But since the underlying objective is to improve Taiwan's existing position the bid to join the UN could yet be used as a bargaining chip against a Beijing concession elsewhere. It is clear, however, that the international dimensions of the cross-Strait relations are an intrinsic part of the relationship and that Taiwan cannot afford to allow Beijing to succeed in persuading the international community that the Taiwan question is an entirely domestic problem to be decided on Beijing's terms.