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

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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

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China's United Front Work in Civil Society: The Case of Hong Kong[+]

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Abstract

This article unravels China's united front work in dealing with civil society, using the case of Hong Kong after the political handover since 1997. While it has been widely analyzed by scholars that state corporatism characterizes the state-society relations in China, including the state's relations with its autonomous regions, Hong Kong as a special administrative region, however, shows that the ruling strategies of China are very adaptive. Comparing with the rest of China where the united front work is partly characterized by a heavy-handed policy of assimilation, the united front work in the post-handover Hong Kong illustrates a more inclusionary version of state corporatism through five types of measures, namely, integration, cooptation, collaboration, containment, and denunciation. The strategies range from soft to hard tactics, and are adopted depending upon whether the central government regards its targets as friends, valuable potential cooptees or enemies. Nevertheless, the soft and hard tactics used in parallel in Hong Kong have resulted in further politicization and polarization of the civil society, and transformed the tension between the state and the local groups into clashes between different local groups, as seen in other autonomous regions such as Tibet and Xinjiang. Over the years, the agents for state corporatism have been ever expanding in Hong Kong. The ideologies propagated have now gone beyond consensus and harmony to also include patriotism and reinterpretation of other political ideas, including universal suffrage, conducive to cultivating obedience.

Keywords: *state corporatism, united front, autonomous regions, special administrative regions, Hong Kong and China*

JEL classification: *H70, H73, H77, Z19*

1. Introduction

This article seeks to unravel China's united front work in dealing with civil society, using the case of Hong Kong after the political handover since 1997. While it has been widely analyzed by scholars that state corporatism characterizes the state-society relations in China, including the state's relations with its autonomous regions such as Tibet, Xinjiang and Inner Mongolia, the case of Hong Kong as a special administrative region, however, shows that the ruling strategies of China, an authoritarian sovereign, are very adaptive. Comparing with the rest of China where the united front work is characterized by a parallel use of soft tactics and a heavy-handed policy of assimilation, the united front work in the post-handover Hong Kong illustrates a more inclusionary version of state corporatism. As such, the case of Hong Kong is also indicative of China's adaptable ruling strategies towards its special administrative regions (which may perhaps in the future include Taiwan) and autonomous regions, as well as the future of their democratization. Overall speaking, the article investigates China's direct and indirect influence in managing Hong Kong's civil society through five types of corporatist measures, including integration, cooptation, collaboration, containment and denunciation, and their implications.

2. China's State Corporatism and United Front Work

Since the 1990s, the concept of state corporatism has been widely used by scholars in analyzing the ruling strategies of China. In practice, parts of such strategies are often referred to as the united front work by Beijing. The two terms are not mutually exclusive, nevertheless. While state corporatism indicates China's overall ruling framework, its united front work is the relatively informal and soft tactics adopted to build friendship and its following, which include the work to educate, persuade, coopt and integrate people.

Corporatism is a long-established theory in the study of politics and has different variants. Based on the different degrees of state centralization and organization of corporatist institutions subject to historical and cultural differences, corporatism can be distinguished into strong, intermediate and weak types, as well as political, societal or neo-corporatism (Foweraker, 1987; Wiarda, 1996). As a general classification suggested by Schmitter, political corporatism, also called state corporatism, is distinguished from societal corporatism or neo-corporatism. In the modern world, the former refers to an authoritarian and coercive form of corporatism, while the latter represents a democratic form of corporatism. In state corporatism, the state is strong and dominates over territorial and political subunits as well as interests groups, and bureaucrats are ideologically selected. In contrast, under societal corporatism

or neo-corporatism practised today mostly in developed industrial and social welfare oriented countries, social and interest groups are incorporated into the decision making machinery on social and economic policies in particular (Schmitter, 1974; Wiarda, 1996).

In dealing with civil society, state corporatism carries the following main features. Previous analyses, for example, Foweraker's study of the Franco regime of Spain (1987) and Unger and Chan's study of China (1995), found that the role of the state in state corporatism is directive, interventive and exclusive with the aim of maintaining its hegemony and achieving high degrees of political collaboration.

Specifically, the directive role of the state on the society is evident in various aspects. At the ideological level, it is perceived as a state responsibility to define and promote national interests, and to impose such norms on the people. Though what national interests mean are rarely precisely defined in state corporatism, it is observed that these often include national integration, economic growth, stability, social harmony and consensus, and the dispelling of popular aspiration for democracy (Spalding, 1981; Foweraker, 1987).

The hierarchical relationship of the state to the society also distinguishes it from the bottom up interest cooptation processes in liberal democracy and societal corporatism (Oi, 1992; Chan, 1993; Unger and Chan, 1995; Wiarda, 1996; Unger, 2008). Under state corporatism, the state plays an important architectural role in the building of relatively cohesive and hierarchical bureaucratic institutions and structures facilitating control of different social sectors, interest groups and political parties (if any). It also acts as an active arbiter for various parochial interests organizing the relations among them.

Often, elite associations are formed whereby specific associations are selected by the state and granted the monopoly of representation within a specific sector serving as surrogates of state interests. Through the process of interest incorporation, associations are incorporated into advisory or execution bodies with little real power as appendages to the state to assist in its governance. Associations that are not approved by the state will be kept peripheral in political influence or even barred. The internal governance of organizations is closely monitored by the state, and the associations are also demanded to exercise some control over their memberships. Elite associations may still enjoy relative autonomy from the state but their role in the decision making process is usually passive and minimal (Schmitter, 1974; Spalding, 1981; Foweraker, 1987; Unger and Chan, 1995; Wiarda, 1996; Unger, 2008). Importantly, the state architecture of formal control of the society always coupled with the implementation of rigid laws containing and curbing political forces from threatening the state. Protests and demonstrations are prohibited or only nominally allowed. And the media is often state-run or heavily censored.

Other state corporatisms alike, the creeds of social stability and harmony are undeniably significant in the official discourse of the Chinese state, however, they do not stand alone. To strengthen its rule, China has actively promoted patriotism in the form of "China can say no" and rejection of foreign intervention. In addition, it has attempted to develop a set of standards different from the West, so that it would not be evaluated on the same ground as in liberal democracies. Series of attempts have been made to deny the relevance of certain Western concepts, notably human rights and democracy.

Institutionally, China has remained a one-party state ruled under the Chinese Communist Party (hereafter CCP) which executes control over all government organizations. Party committees are parallel at all levels to the government structure through which the Party exercises control over the policy process of the state. Inside the Party, the Politburo and its Standing Committee sit at the top of the power structure but are not accountable to any other institutions. The system of the government is one of people's congresses, which hierarchically begins with the National People's Congress (hereafter NPC) at the top, then followed by the provincial, municipal, and township people's congresses, and so on. In theory, the NPC elects the President and Vice-President for the state, but in reality the candidates for the office are chosen by the Party. The Premier as the head of the government is formally appointed by the President with the approval of NPC, who in reality is also chosen by the Party.

With regard to the society, the United Front Department of the Central Committee of the CCP is responsible for the united front work at this level. During former Chinese leader Mao Zedong's reign, the united front was formed to carry out its work via various corporatist structures. Structures directly led by the state, such as street committees, neighbourhood committees, communes, *danwei* 单位, and other surrogate mass organizations including the All-China Federation of Trade Unions, Chinese New Democracy Youth League (now Communist Youth League of China), and All-China Women's Federation, were introduced and incorporated into the party-state. The media was state-run following the government's journalistic guidelines.

A greater degree of liberalization has been witnessed in China since the economic reforms in the 1980s. Although only one single organization would be recognized by the state as the representative for each sector, gradual development in China has prompted the state to allow the formation of a variety of non-political social organizations, such as scholarly societies, charities, and professional associations. Such a growing liberal atmosphere was soon crushed during the 1989 protests in Beijing, and so was the demand for autonomous organizations for students and workers.

Since 1989, China reinstituted a more comprehensive registration system for all social organizations. For instance, only one association was allowed to

register as the representative for each sector. Associations had to be registered and sponsored by a supervisory body. The state could carry out annual review of the associations and intervene into their internal governance (Unger, 2008). In the 1990s, a tripartite corporatist structure was established to deal with industrial relations, with the Labour Bureau as the representative of the state, the All-China Federation of Trade Unions as the representative of the workers, and the Chinese Enterprise Directors' Association representing the employers. While the state is active in regulating the relations of organizations, especially those in the key sectors, to maintain its influence and to ensure that the state is in control, politically non-sensitive associations such as those for sports, arts and culture, environment, and retired teachers do enjoy greater autonomy (White, 1993).

Some independent media outlets have emerged and the media has also become increasingly commercialized in China since the 1980s. Nevertheless, until today, the media continues to be closely monitored by government agencies, such as the Propaganda Department. Protesting has been a constitutional right of Chinese citizens but advance permission from the Public Security Bureau has to be obtained for actual allowance.

Similar state-corporatist strategies are also witnessed in China's autonomous regions. Although the regions were promised a high degree of autonomy upon the establishment of the People's Republic of China, measures of coercion, assimilation, persuasion and inducement have been implemented to strengthen state control. Over the past decades, massive economic development programs, such as the Great Western Development Plan, have been carried out to quicken the economic integration of the autonomous regions with the China proper and increase Han migration into the regions. Political-wise, minority ethnic groups in the autonomous regions are granted greater political representation in the NPC. Also, the Law on Regional Autonomy for the Minorities (1984) stipulates that the administrative head of the autonomous regions be a citizen of the respec-tive ethnic group. However, no comparable stipulations are made for the party secretaries of the Communist Party committees who oversee the administrative heads. In the area of education, ethnic minorities are granted privileged access to higher education. Nevertheless, patriotic education campaigns are carried out and learning Mandarin promoted since kindergarten, while local languages and religious education repressed. In Tibet, for instance, the Tibetan language is taught only up to middle school. Likewise in Xinjiang, freedom of religion is restricted as Uyghurs under the age of eighteen are not allowed to attend mosques or receive religious education. In the area of media, Beijing enforces strict censorship on reporting ethnic minorities tension and discontent (Chou, 2012; Demirtepe and Bozbey, 2012; Hao and Liu, 2012; Smith 2009).

3. China's United Front Work in Hong Kong

Understanding China's united front work helps make sense of its policy on Hong Kong. Due to the principle of "one country, two systems", political acquiescence which is secured through carefully designed institutional, political and legal means in China is hardly viable in Hong Kong. Moreover, contrary to the predominance of state control in China, Hong Kong has a liberal and pluralistic political tradition rooted in its long experience with British colonial rule, capitalism and cosmopolitan thoughts. In many ways, China has to experiment with its ruling strategies on Hong Kong, not only in proclaiming sovereignty after the handover, but also in assimilating and gradually merging Hong Kong into the greater Chinese social, cultural and political system.

During the period before 1997 when China was not the sovereign, the concept of united front work had been widely employed to understand the informal influence of the formerly Xinhua News Agency in Hong Kong (now the Central People's Government Liaison Office, hereafter CPGLO) on Hong Kong's civil society. Since 1997, the CPGLO acts as the representative for Beijing, being responsible for liaison between Mainland agencies and the local community, coordinating the activities of the CCP in Hong Kong, and conducting united front work, propaganda and supervision. It also controls Beijing-affiliated publications and media in Hong Kong mobilizing support for the policies of the Beijing-appointed government (Yep, 2007).

The previous examination of China's united front work in colonial Hong Kong tended to focus mostly on how Beijing consolidated its relationship with individuals in Hong Kong through cooptation (e.g., Wan, 2003; Lee, 2006; Lo, 2008; Kwong, 2010). Different from the previous studies, this article purports that the united front measures of Beijing in Hong Kong are much systematic and adaptive in accord with the "one country, two systems" principle and the liberal-pluralist tradition in Hong Kong. As it will be analyzed, China's united front measures in Hong Kong, which include the soft tactics of integration, cooptation and collaboration, as well as the hard tactics of containment and denunciation, all seek to ultimately consolidate China's hegemony in the local society.

Integration refers to the process of merging different parties with one another based on common interests, and at the ideological and affective levels. It indicates not only the development of common instrumental interests but also that of common wills and feelings. As a way of neutralizing the differences between Hong Kong's pluralistic society and China and thus winning the support of the majority, this measure is widely visible in all walks of life in Hong Kong.

Cooptation describes the process of bringing outsiders (usually the resource-poorer) inside (usually the resource-richer) (Saward, 1992). In Hong Kong, the Chinese Communist agents actively and selectively recruit

and appoint supporters to political institutions and power positions, so that alternative views of its supporters can be put in line with those of the Chinese authorities. Since the transitional era, cooptation has been conducted via appointment to institutions such as the Chinese People's Political Consultative Conference (hereafter CPPCC), NPC, coopting elites to special bodies such as the Basic Law Drafting Committee, and recruitment to political groups such as the Democratic Alliance for the Betterment and Progress of Hong Kong (hereafter DAB).

Compared with cooptation, collaboration indicates a more detached relationship between the Communist agents and the political recruits, and usually targeting the wavering middle. Though the involved parties willingly work together, their cooperation is relatively informal and less institutionalized as well as short-term based. In real-life politics in Hong Kong, it is always hard to find evidence for the measure of collaboration, largely so because of the inconspicuousness of such activities. Collaborators are often those who would prefer a little distance from Beijing while not antagonizing it. Therefore, they would be keen on keeping their connection with the Chinese authorities well away from public gaze. The ultimate aim of collaboration is to ensure that the targets do not join force with the opposition, whether or not they explicitly support Beijing.

Containment characterizes particularly the Communist agents' policy on the democratic forces in Hong Kong. Through nourishing supporters' networks and creating strategic alliances with Beijing's sympathizers, this measure aims to check the expansion or influence of democrats. It also involves the fragmentation of the opposition camp in order to neutralize its influence.

Denunciation is the most exclusive form of measure used by the Chinese authorities to defeat its enemies, particularly the democrats, and control the Hong Kong society. It is characterized by public condemnation and accusation, outright rejection, verbal threats, and refusal to communicate. It aims to charge someone on their misdeeds, and halt their influence immediately and permanently, especially in situations when the authorities perceive that their sovereignty is at stake.

Loh and Lai (2007) once stated that China's united front work in Hong Kong has consistently classified the population into three groups: a supportive majority to mobilize, a wavering middle to neutralize, and an enemy to defeat. The same classification applies to understand how China has accordingly treated different political players in post-handover Hong Kong. Integration and cooptation are measures for dealing with the majority and supporters, collaboration targets the moderate middle, and containment and denunciation constrain the influence of enemies to even exclude them. Among all these, only denunciation serves a clear purpose of political exclusion. Other measures rather involve education, persuasion, threats and inducement.

3.1. Integration

3.1.1. Integration by economic measures

After more than a decade of returning to Chinese rule, not only has Hong Kong operated simultaneously under the Chinese political shade as well as British colonial legacy as a special administrative region, and cultivated somehow a common understanding that China is the big boss behind; it also has become more economically dependent on the sovereign state. After all, not only is economic growth and wealth accumulation an essential component in China's struggle to emerge as a world power in the 21st century, it is also an effective soft tactic to achieve political control.

After the political resumption, economic interchange and activities that accelerate political assimilation between Hong Kong and China have become visible. One notable example is the Closer Economic Partnership Agreement (CEPA). The CEPA was a bilateral free-trade agreement signed between China and Hong Kong in 2003 against the background of both economic and political concerns. In 1998, Hong Kong was seriously hit by the Asian Financial Crisis. The economic turbulence persisted until 2003 when the Hong Kong government was at the same time troubled by the Article 23 fiasco in which the proposed national security law was seriously disputed and shelved after more than half a million people joined a protest against it. Economic measures were then adopted by Beijing to take the edge off the Hong Kong government's legitimacy crisis, which in the years followed have accelerated the city's economic integration and dependence on China.

Although Hong Kong continues to maintain independent trade relations with various countries, the significance of China in Hong Kong's trade has become incontrovertible. Regarding inward direct investment, China has maintained the largest proportion in 2011 (HK$3,042.8 billion), while most of Hong Kong's outward direct investment also went to the Mainland (HK$3,346.4 billion).[1]

Ideologically, Beijing, along with the Hong Kong government, claims that economic integration is the only way out for Hong Kong under fierce global economic competition lest Hong Kong becomes marginalized. For example, shortly after the waving of the colonial Hong Kong flag by some protestors in a protest in 2012, former Deputy Director of the Hong Kong and Macao Affairs Office Chen Zuoer 陈佐洱 alleged that, practically, Hong Kong would have become a "dead city" without the assistance from the Mainland China. In his words, Hong Kong would be unable to survive without the economic gifts and water supply from Guangdong (*The Sun* 太陽報, 2nd November 2012).

For one thing, the cultivation of economic integration of Hong Kong and China has consolidated the practice of conservatism amongst Hong Kong's business class who, having vested interests in China's market, would tend

not to antagonize the central government. The influx of Chinese capital into Hong Kong further engendered conditions for such conservatism. One example is the Chinese investment in the local media, which brought about apparent changes to the contents of news programs. Asia Television (hereafter ATV) is a case in point. Wang Zheng 王征, a major investor of ATV since 2010, is a CPPCC member and a relative of the former state leader Jiang Zemin 江泽民. Though Wang describes himself as a "consultant" to his cousin, ATV Executive Director James Shing Pan-yu 盛品儒, he is believed to have directly involved in ATV's day-to-day operations. News reports of the ATV have been moving toward a more conservative stance in general. For example, in 2012, "ATV Focus" claimed that opponents of the moral and national education curriculum in Hong Kong were actually backed by London and Washington; and labelled members of the student advocacy group Scholarism as naïve teenagers having been manipulated by politicians and risking their future by playing with politics (*Singtao Daily* 星島日報, 5th September 2012).

3.1.2. Cultivating patriotism

Cultivating patriotism has constituted much of the ideological reshaping process in Hong Kong. Indeed, as the term is subject to multiple interpretations, patriotism is a "two-edged sword" for Beijing. Liberal readings of patriotism which balances unconditional commitment to state interest with liberal morality may adversely affect the political order it seeks to establish in Hong Kong. Hence, over the years, endeavours have been made to setting hegemonic standards for patriotism and branding alternative views in parallel.

To start with, patriotism in official terms is very narrowly defined. Patriots should support the exercise of sovereignty of the central government in Hong Kong and fulfil duties stipulated in the Basic Law, such as the obligation to protect the national interest of China through legislating laws on national security. Though Chinese officials and pro-Beijing figures did not explicitly equate "state" with the "party-in-power", interests of the two are conceived as highly intertwined and hence, a patriot must also support Communist rule.

Politically, patriotism is made a criterion for choosing the Chief Executive (hereafter CE) of Hong Kong and the lawmakers. Recently, the patriotism debate was rekindled over the heated debate on universal suffrage for 2017, as Chinese officials and supporters of Beijing were responding to law professor Benny Tai Yiu-ting 戴耀廷's proposal of calling for 10,000 people to blockade Central District in 2014 to put pressure on the central government. Yu Zhengsheng 俞正声, member of the CCP Politburo Standing Committee and Chairman of the CPPCC, claimed that, with the introduction of universal suffrage, only those patriotic could be allowed to lead the city (*Singtao Daily*,

7th March 2013). Though commitment to patriotism has never been specified in the Basic Law as a prerequisite for candidates running for the CE election, it is now made an extra requirement for the future CE.

Cultural nationalism is also used as a catalyst for integration, with the projection of a common ethnic origin, history and interest identified as the Chinese nation onto the people of Hong Kong, Taiwan and Macao. In his first speech as head of state, Xi Jinping 习近平 asserted that he would fight for a great renaissance of the Chinese nation. After his meeting with Honorary Chairman of the Kuomintang Lien Chan 連戰 from Taiwan, Xi also described compatriots from both sides of the Taiwan Strait as brothers of the same mind, who could cooperate in realizing the Chinese dream. Hence, any attempts on separating parts from the nation would be deemed immoral. In parallel, in Hong Kong, it is noticeable that in recent years, China's advancements in technologies and international status, such as the successful hosting of the 2008 Olympics, were much publicized to arouse nationalistic sentiment. The arrangement of visits of Chinese astronauts and top athletes to Hong Kong further indicates such attempts by Beijing. Nationalism is also used to mollify and neutralize the tension resulted from rapid and unchallenged integration between China and Hong Kong, with the use of family metaphor by the officials calling for tolerance on the part of the Hong Kong populace (*The Standard*, 25th February 2013)

While inspiring the people of Hong Kong to pay special attention to China by patriotic and nationalist sentiments, their expression of concern and sympathy toward political problems in China, especially those related to pro-democracy movements and rights-defending activists, are very much discouraged. The expression of "well water does not intrude into river water" has been persistently used by Chinese officials to analogize the relationships between Hong Kong and Mainland China under "one country, two systems". At the same time, identity politics are manipulated through branding certain democrats (Wu, 2007). Democrats such as Martin Lee Chu-ming 李柱銘, who explicitly called for international attention on China and Hong Kong's human rights condition stirred backlash from Chinese officials and Beijing supporters; Lee was virtually accused of being a "traitor" and different from the patriotic majority.

3.2. Cooptation

3.2.1. Giant coopting mechanisms

Previous studies show that cooptation in the local political front can be described as a patron-client network (Lo, 2008). Beijing, as a powerful patron offers various inducements to solicit and solidify the political loyalty of its clients in Hong Kong including the CE, its biggest patron in the city. The

CE, being the surrogate of the central government, is entrusted with great powers relative to the legislature, whose political loyalty to Beijing is secured with the provision of explicit political and economic support. The members of the Executive Council, the principal officials, leaders of the pro-Beijing political parties such as the DAB are in turn the core clients of the CE. For them, inducements may include a considerable degree of power, status, policy influence, and so on.

As the CE is a position of power, it is only natural that Beijing is anxious about his/her political loyalty. The Basic Law stipulates that the CE shall be accountable to, and be appointed by, the central government. More importantly, the right to elect the CE is limited to an electoral college, the Election Committee, which consists of 1,200 members from 38 subsectors returned by an electorate of around 220,000 individuals and corporations. Besides the purpose of political control, the Election Committee is in itself a structure for cooptation of selected interests. In a similar vein, the idea of functional constituency (hereafter FC)[2] in the election of the Legislative Council (hereafter LegCo), with its constituencies concentrated in business and professional sectors and small electorate, serves the dual purpose of containing the democratic influence in the legislature while coopting selected interests. Both the Election Committee and FC would ensure that the influence of the selected interests prevails in the government. In other words, future elections in Hong Kong could not be genuinely democratic insofar as FCs not fully abolished and the nomination process of the CE firmly controlled by Beijing.

In addition to the above coopting mechanisms in Hong Kong, the NPC and CPPCC are the coopting mechanisms at the state level. In 2013, a broader group of representatives from Hong Kong has been named to the twelfth CPPCC National Committee than in previous years. Apart from prestigious tycoons, professionals and community leaders, these bodies are also coopting FC lawmakers and retired high officials in Hong Kong. For instance, Jeffery Lam Kin-fung 林健鋒, who was elected to the Commercial (First) FC without competition and also a member of the Executive Council, is one amongst the 124 Hong Kong Deputies to the CPPCC.

Such ceremonial gift is also bestowed on former CE Tung Chee-hwa 董建華 who was first elected the Vice-chairman of the CPPCC in 2005, two days after his resignation due to "health problems"; and re-elected in 2013. Henry Tang Ying-yen 唐英年, who lost the race in the 2012 CE election, was among the 299 newly elected Standing Committee members of the CPPCC. The former CEs were joined by former officials to be coopted into the CPPCC, including ex-Police Commissioner Tang King-shing 鄧竟成 and ex-Commissioner of the Independent Commission Against Corruption Timothy Tong Hin-ming 湯顯明.

3.2.2. Cooptation of social bodies and the media

As a way to cultivate comradeship and identification with China as well as a supportive following, the CPGLO arranges potential cooptees to visit China. For example, in 2007, to rally support for Donald Tsang 曾蔭權 in the CE election, and to build consensus between Beijing and Hong Kong's civic associations on the matter, the CPGLO arranged various social and professional bodies to meet with Chinese officials. Moreover, starting from 2007, the CPGLO has also arranged potential cooptees to attend a course on national studies jointly offered by national level academies, such as the National Academy of Administration (*Wen Wei Po* 文匯報, 4th November 2011). Other times, potential allies are invited not only to visit China but also to meet with Chinese officials, participate in the national day celebrations, and attend high level conferences and meetings. Occasionally, targets are also invited to visit their native hometowns to arouse patriotic sentiments and to explore investment opportunities.

In addition to the more specific and important cooptees, secondary school and university students are also arranged to visit the Mainland, which serves the purpose of arousing their sense of cultural affinity to China while at the same time witnessing China's national achievements. Very often, the exchange tours are accompanied by at least one official from the CPGLO, and received by Mainland officials at various ranks, depending on the size and nature of participants (*Hong Kong Commercial Daily* 香港商報, 8th August 2009).

As the coordinator of united front work in Hong Kong, the CPGLO collaborates with civic bodies in Hong Kong or sponsors them in organizing youth activities and education projects that serve both practical and strategic purposes. For example, with its aim of catching up with the favourable opportunities created by Hong Kong's economic integration with China, the Federation of the New Territories Youth's brand-building event, "9+2" exchange tour (refers to the nine provinces and two special administrative regions in the Pan-Pearl River Delta Regional Cooperation) in 2009 was advised by the New Territories Division of the CPGLO.

Civic bodies that openly declare themselves patriotic and having frequent exchanges with Mainland China are likely to have regular contact with the CGPLO, especially its Youth Division. Structure of the CPGLO is very meticulous allowing officials to specialize in liaising and overseeing particular civic bodies (Luk, 2010). Presence of the officials could often be seen in major events of these civic bodies, particularly their inauguration and prize presentation ceremonies. Officials' appearance in these activities would be widely reported by the pro-China media in Hong Kong.

Cooptation also takes the form of political appointment, in which core members of political parties and civic groups, as well as community leaders,

are appointed to various state or party institutions or "people's organizations" (such as the All-China Youth Federation, hereafter ACYF) at both national and local levels. For instance, the DAB, as flagship for pro-Beijing forces in Hong Kong, has most of its core members coopted into the aforementioned bodies. Currently, nine members of the DAB are serving as Hong Kong Deputies to the NPC, while 32 of them are delegates to the CPPCC. Some of the DAB's younger members, such as Horace Cheung Kwok-kwan 張國鈞, legislators Ben Chan Han-pan 陳恆鑌 and Gary Chan Hak-kan 陳克勤, are appointed to the ACYF. In its Standing Committee (Session 2011-2013), three members, including Chairman Tam Yiu-chung 譚耀宗, Chairman of Senate Yu Sun-say and Vice-chairlady Ann Chiang Lai-wan 蔣麗芸, are appointed to the National Committee of the CPPCC. Three of its members are coopted to CPPCC at sub-national levels; they include Vice-chairman Horace Cheung Kwok-kwan, General Secretary Pang Cheung-wai and Treasurer Wong Kine-Yuen.

Apart from political parties, media owner is another front of cooptation. It is observed that after these media owners were granted medals of honour and made CPPCC delegates, the papers have turned into strong critics of the democrats (Ma, 2007). A case in point is the *Oriental Daily*. In the early years when the newspaper was founded by Ma Sik-chun 馬惜珍 and his brother Ma Sik-yu 馬惜如, it was deemed pro-Taiwan, mainly because of the owners' cordial relationship with Kuomintang. Since the handover, the newspaper has moved toward a more pro-Beijing stance. Apart from keeping itself from reporting negative news in China, the *Oriental Daily* also fiercely and consistently attacks members of the democratic camp, especially Martin Lee Chu-ming, Anson Chan Fang On-sang 陳方安生 and its major media competitor Jimmy Lai Chee-ying 黎智英. In 2003, Chairman of its Broad of Director, Ma Ching-kwan 馬澄坤, was appointed to the National Committee of the CPPCC. Ma is also closely associated with the pro-China circle in Hong Kong. Recently, Lew Mon-hung 劉夢熊, an outspoken pro-China figure in Hong Kong who was a former ally of CE Leung Chun-ying 梁振英, revealed in an interview that he put together Ma Ching-kwan and Leung so that Ma could help Leung in launching a media war against his competitors in the CE election (*Ming Pao* 明報, 26th January 2013).

3.3. Collaboration

3.3.1. Pragmatic collaborations in elections

Owing to the partial direct election elements in the LegCo and the District Council, Beijing is cautious building collaboration in the elections and containing the popularity of the opposite camp in Hong Kong. It has been an open secret that the CPGLO has been coordinating different pro-Beijing forces

and candidates in previous legislative and district elections, and mobilizing community support for them (Poon, 2008; Lo, 2010). The main purpose is apparently to facilitate their victory in these elections.

Prominent examples were seen in the elections of the LegCo in 2012. Candidates who declared themselves "independent" regarding political affiliation had actually worked closely with pro-Beijing organizations and received their electoral support. Paul Tse Wai-chun 謝偉俊, who was elected to the LegCo through the Tourism FC in 2008, "parachuted" to participate in Kowloon East GC election in 2012 as an independent candidate. As revealed in an election forum hosted by NOW TV, Tse lacked the slightest knowledge of district affairs in Kowloon East, but still miraculously won in the election with a very high number of votes. Later in another television program, Tse admitted that the CPGLO was actually helping him with the election campaign, yet he would not follow its directions blindly. He further commented that it is not proper for CPGLO officials to appear too often in front of the public, since it may give an impression of Hong Kong undergoing "Mainlandization" (*RTHK* 香港電台, 29th November 2011; *On the Record* 香港政府新聞網 – 政府評論, 30th December, 2012).

Another example: it was reported that the Federation of Trade Unions (hereafter FTU), a pro-Beijing union in Hong Kong, planned to compete for a seat in Kowloon West in 2012. Since Lau Chin-shek 劉千石, founding President of the Hong Kong Confederation of Trade Unions, lost his seat in the LegCo election in 2008, his supporters who came from the working class would probably vote for another pro-labour candidate. Adding these votes to its existing supporters at the district level, the FTU would have a fairly high chance of winning. Nonetheless, Priscilla Leung May-fun 梁美芬, an independent candidate in Kowloon West who was "recommended" to the FTU's members by its chairperson Cheng Yiu-tong 鄭耀棠 in 2008 LegCo election, also relied on the FTU for voter mobilization. Since the DAB had already sent its Vice-chairlady Ann Chiang to bid for a LegCo seat, the FTU's entry would risk Leung's chance of winning. In the end, the CPGLO persuaded the FTU out of the election in Kowloon West (*Apple Daily* 蘋果日報, 5th March 2012).

3.3.2. Constitutional reforms in 2010

Another example of collaboration was between Beijing and the Democratic Party over the issue of constitutional reform in 2010. In 2009, the Hong Kong government published a consultation document to broaden the scope of political participation and elements of democracy for the 2012 elections. The pro-democratic legislators and the community expressed great disappointment with the conservative proposal, which has been attacked as

a rehash of the one rejected in 2005. A campaign on "*de facto* referendum" was initiated by the Civic Party and the League of Social Democrats in which five legislators from the two parties resigned and then mobilized the Hong Kong people to vote them back into the LegCo in the by-election and demand for universal suffrage in the nearest future. The Democratic Party condemned the consultative proposal for failing to facilitate universal suffrage in 2012, yet, breaking off relations with the radical democrats in the *de facto* referendum and its assessment that Beijing would be keen to see a breakthrough in the talks over constitutional reform, it opted for deliberation with the CPGLO.

In 2010, 11 local democratic groups formed the Alliance for Universal Suffrage (hereafter the Alliance), an umbrella group of moderate democrats with Democratic Party at its core. It was reported that the CPGLO have arranged members of the Alliance to meet with Beijing; dialogue that had been ceased since the 1989 Tiananmen Incident was rehabilitated. To strive for "the maximum degree of democracy" for 2012 elections, the Alliance was prepared to accept the reservation of FC elections for eight more years, which departed from the demands of other democratic parties. It further brought up the proposal of "one person, two votes" to reform the FC election in 2012, on the condition that the FC must be scrapped in 2020. Former Deputy Director of the CPGLO, Li Gang 李刚, also spoke favourably of the Democratic Party, said the party was invited because it chose neither to participate in nor support the *de facto* referendum (*Ming Pao*, 25th May 2010).

At the early stage of the negotiation, proposal of the Alliance was bluntly rejected by the Chinese officials. Nevertheless, realizing that the democratic legislators were prepared to vote down a reform package with no substantial progress for democratic elements for the 2012 elections, the stance of the central government then softened considerably. Three days before the package was put to vote in the LegCo, Li Gang met with the representatives from the Democratic Party and opened green light for their revised constitutional reform proposal. The revised proposal was then successfully passed by LegCo with 46 votes out of 60. The Civic Party and League of Social Democrats were unable to stop the package from getting passed despite their opposition. This has triggered a split in the democratic camp as the Democratic Party sided with the Hong Kong government amidst severe public recrimination and criticisms.

In that, the strategy of collaboration not only secured the passage of the government-proposed constitutional reform package, it also had the effect of divide-and-rule. The moderate democrats' proposal was given way, yet with controversies. The society was deeply divided as some believed that the revised proposal did not go far enough towards democratic aspirations promised in the Basic Law. The radical democrats were dismissed from any

meaningful dialogue with the central government, which not only sharpened division between the Democratic Party and its allies, but also risked future cooperation. Some of the Democratic Party's supporters were also alienated, accusing the party of reneging on its commitments and "selling out" people of Hong Kong.

3.4. Containment

3.4.1. Reinterpretation of the Basic Law

As previously analyzed, state corporatist regimes can make use of the law to constitute new state control. In Hong Kong, owing to the judiciary's respectable status and the tradition of the rule of law, containment measure has taken place at the constitutional level whereby attempts were made by the NPCSC to reinterpret certain stipulations and legal concepts in the Basic Law and the Hong Kong's Court of Final Appeal's (hereafter CFA) rulings. Containment works in a way that definitions of concepts and practices under the Basic Law in Hong Kong would be made in line with Beijing's understanding and judgments, affecting the autonomy of Hong Kong, its judiciary independence and democratic development.

Altogether, the NPCSC had made four attempts to interpret the Basic Law. Of relevance here, the second reinterpretation of the Basic Law by the NPCSC took place in 2004. After the massive demonstration against the Article 23 in 2003, there have been immense demands for universal suffrage for the election of the CE and the LegCo in 2007 and 2008. Amidst the controversies, the NPCSC took steps to reinterpret Article 7 of Annex I and Article III of Annex II of the Basic Law, and made decisions on issues related to the methods for selecting the CE in 2007 and for forming the LegCo in 2008. The NPCSC's statements ruled out the possibility of implementing universal suffrage for the elections of the CE in 2007 and the LegCo in 2008. In addition, it declared that any constitutional reforms in Hong Kong have to be gradual and orderly, and added a new procedural requirement on the democratization of Hong Kong's electoral system. The LegCo is barred from initiating reforms on the election law and, instead, the reform process can only be initiated by the CE and requires endorsement by the NPCSC. These requirements, however, are not found in the text of the Basic Law.[3]

3.4.2. Redefining universal suffrage

The meaning of universal suffrage has become much controversial in the course of the debate on Hong Kong's constitutional development. Understandably, China has attempted to restrict the prevalence of the understanding

of the concept as equal and universal voting rights as upheld by the democrats by redefining the concept as something with Chinese characteristics. Early in 2008, former Deputy Secretariat of NPCSC, Qiao Xiaoyang 乔晓阳, who has been in charge of Hong Kong's constitutional reform, together with some Chinese legal experts claimed that the meaning of universal suffrage, a term having a universal definition under the United Nations' Covenant, should be understood by studying the legislative intent of the Basic Law. This view was echoed by Hong Kong's former Chief Secretary Henry Tang who said the Basic Law does not require for the abolition of the FC seats of the LegCo, implying that the FC could be retained for universal suffrage.

In 2010, Qiao Xiaoyang outlined in his speech the future and the definition of universal suffrage in Hong Kong. He claimed that "universal suffrage" for the legislature means equal and universal voting rights but these rights could be subject to legal restrictions. Future elections should be compatible with Hong Kong's legal status, executive-led system and capitalist economy as well as the interests of various classes. Qiao's speech is evident that under China's policy on Hong Kong, the understanding of universal suffrage could be modified according to political needs.

In a similar manner, Yu Zhengsheng, member of the CCP Politburo Standing Committee and Chairman of the CPPCC, in 2013, claimed that Hong Kong must be governed by people who love the country and Hong Kong, and warned against the city being used as a subversive base that would threaten national security. His view was echoed by Chan Wing-kee 陳永棋, a Standing Committee member of the CPPCC, who further suggested that in the election of the Hong Kong Chief Executive in 2017 (even if universal suffrage would be in place), a screening process or a primary poll should be introduced to ensure that the candidates would be acceptable to Beijing, and such arrangements are not undemocratic (*South China Morning Post*, 25th March 2013).

3.4.3. Demoralizing the democratic camp and reinforcing counter participation

As part of the attempts to contain the influence of the democrats in Hong Kong, Beijing has sought to demoralize and spilt the democratic camp. As analyzed above, the negotiations on the constitutional reforms for 2012 between the Chinese authorities and the Democratic Party in 2010 has deeply hurt the unity of the democratic camp. Another important example is the District Council elections in 2011 in which suspicious vote-rigging in the elections back-dropped the landslide victory of the pro-Beijing camp. Also, smear campaigns were launched to affect the election results. Near the polling date, Jimmy Lai Chee-ying, a local pro-democracy businessman, was reported

to have donated a large sum of money to local democratic parties and Cardinal Joseph Zen 陳日君, then head of the Hong Kong Catholic Church and an active supporter of the democratic movement. Though these donations were legal, Lai was accused of being a conduit for foreign money and influence (*Wall Street Journal*, 5th December 2011).

Attempts to cultivate regimented participation have also been noticeable in Hong Kong. While there is no concrete proof of the systematic mobilization of the Chinese authorities in the incidents analyzed below, it would also be counter-intuitive not to associate them together. By and large, the incidents were mobilized by pro-Beijing figures and organizations in Hong Kong to dilute the influence of the democrats on issues considered potentially subversive and harmful to stability. For instance, on the day of the massive demonstration against Article 23 in 2003, a carnival to promote health consciousness against SARS was held by the FTU in the same public park where the protesters gathered. In 2010, in response to the call for "referendum" by the Civic Party and the League of Social Democrats, 96 leading pro-establishment figures in Hong Kong formed the Alliance for Constitutional Development. They declared their support for the government proposal on political reforms that had been criticized by democrats as conservative. Since 2012, activities both for and against the CE Leung Chun-ying have become organized. For instance, on 1st January 2013, protests both for and against the CE Leung were held. Anti-Leung protest organizers claimed 130,000 people had participated in their protest, and the pro-Leung protestors were said to be paid for their attendance.

Alongside the above development is the establishment of a significant number of pro-Beijing "parallel" and new associations. Assuming the pseudo-role of "elite associations", these parallel associations are formed with the purpose to dilute any undesirable political influence and to achieve dominance in specific sectors as far as possible. This is another salient feature of China's united front work in Hong Kong, which has been in place even before 1997. These associations can either be umbrella or second-tier organizations affiliated or subordinated to the umbrella organizations. While some of these organizations have been established before the political handover, some others were founded during the past decade for nourishing local support, cultivating patriotism, and counteracting the influence of pro-democracy organizations. For instance, the Hong Kong Federation of Education Workers was formed in 1975 to balance the influence of the Hong Kong Professional Teachers' Union (1973) which is pro-democracy. Parallel to the Hong Kong Federation of Students (1958), which is the umbrella association of the student unions of tertiary education institutions who has heavily involved in pro-democracy political issues, the Hong Kong Youth and Tertiary Students Association was established in 1993 to unite pro-

establishment tertiary and university students. Near that time, the Hong Kong United Youth Association (1992), Hong Kong Youths Unified Association (1996), and Federation of New Territories Youth (1997), all with a pro-Beijing background, were also founded to rally support from the youngsters. In the media sector, the Hong Kong Federation of Journalists (1996) was formed to counter-balance the influence of the pro-democracy Hong Kong Journalists Association (1968).

Since the political handover and notably after 2003, Beijing has also been active in supporting new groups of the second generation of local tycoons. Important examples include Y. Elites Group (2007) and Centum Charitas Foundation (2008) (Cheung, 2012: 336-338). There has also been a proliferation of pro-Beijing new associations targeting particularly the younger generations in Hong Kong. These include, for example, the Hong Kong Youth Power Association (2001), Future Star Federation of Students (2005), and various youth exchange promotion associations with different Mainland regions, such as the Hong Kong Youth Exchange Promotion United Association (2009).

3.5. Denunciation

In some cases, measures of denunciation were employed by the Chinese authorities for asserting forceful and quick political control. One notable example is the debate on the de facto referendum initiated by the Civic Party and the League of Social Democrats in 2010. The parties' announcement of referendum had precipitated severe criticisms from the Chinese authorities. The CPGLO in Hong Kong, and the Hong Kong and Macau Affairs Office denounced such a campaign as violating the spirit and provisions of the Basic Law, with particular emphasized that constitutional development in Hong Kong be carried out in gradual progress. Referendum, as reiterated by the Chinese authorities, carries a special constitutional meaning, and no provisions of the Basic Law have empowered Hong Kong to carry out any form of referendum. During the course of debate, potential dangers and uncertainties were exaggerated by the authorities to delegitimize the movement as a whole. For instance, the term "uprising" used by the democrats was framed by the authorities as subversive, connoting military uprising. The fight for universal suffrage was branded as attempts to seek political independence from China. At the societal level, the referendum was further boycotted by pro-Beijing elites. The pro-Beijing media staged vehement criticisms of the political parties participating in the referendum. Originally, pro-Beijing parties such as the DAB and the FTU announced their intention to send candidates for the by-election. Nevertheless, their stance changed later on, proclaiming that they were against any attempts of confrontational tactics.

Another important example is the autonomy movement emerged in Hong Kong since 2012. At present, the autonomy movement is hardly "a" movement. In terms of the background of people involved, it consists of individuals from different social strata and different social bodies such as the Hong Konger Front and the Hong Kong City-State Autonomy Movement. The goals and demands of the participants and social bodies are also varied, ranging from very crude demand that Mainlanders "get lost" from Hong Kong to relatively organized ideas about enhancing autonomy for Hong Kong. If it were not because of the movement's anti-Communist sentiments, its general call for Hong Kong autonomy, and the waving of the colonial Hong Kong flag by some protestors during protests and public forums, prominent Chinese officials would not have reacted so sharply.

Despite the common belief in Hong Kong that "Hong Kong independence" is no more than an empty slogan, the development of the movement in 2012 has invoked sharp criticisms from Chinese officials formerly in charge of Hong Kong affairs. Chen Zuoer, for example, said that the rise of a pro-independence force in Hong Kong is spreading like a virus and should be firmly dealt with. Lu Ping 鲁平, in different occasions, denounced that those who advocate for Hong Kong independence are morons who do not know their history, that Hong Kong would become a dead city without support from China, and that those who do not recognize their Chinese identity should look at what is written on their passports or renounce altogether their Chinese nationality. Such views were echoed by pro-Beijing figures in Hong Kong such as former CPPCC member Lew Mon-hung who said that waving colonial flag is traitor behaviour and should be banned (*Oriental Daily*, 2nd January 2013).

In a similar manner, in an article published in 2013, Director of Publicity at the CPGLO Hao Tiechuan 郝铁川 commented that Hong Kong is at a low ebb yet the advocacy for Hong Kong independence is a "poison" which also violates the principle of "one country". Hao, a controversial figure, once openly criticized the HKUPOP polls on the development of Hong Kong people's ethnic identification led by Robert Chung 鍾庭耀 as unscientific and illogical. His controversial criticism had triggered, or was linked to, series of vicious attacks on Chung in the pro-Beijing newspapers in Hong Kong and China afterwards. Chung was denounced as inciting Hong Kong people to deny their Chinese identity, accepting dirty political bribes, and having connection with a British intelligence agency (*i-cable*, 29th December 2011). The incidents eventually prompted Hong Kong's Secretary for Constitutional and Mainland Affairs Raymond Tam 譚志源 to deny interference from Beijing on the polls and reassured that academic freedom in Hong Kong is protected by the Basic Law.

4. Lessons from Hong Kong

China's united front work in Hong Kong illustrates a more inclusionary version of state corporatism adopted for political expediency consideration. The above analysis shows that the strategies it employs range from subtle to blatant moves, from soft to hard measures, and from assimilation to total rejection.

It is noticeable that, as political expedient and soft tactics, namely integration, cooptation and collaboration, have been employed by Beijing in Hong Kong inasmuch as in other autonomous regions, other ruling strategies, namely containment and denunciation, adopted in Hong Kong are not very commonly used in other autonomous regions where political coercion and heavy-handed assimilation policies might instead be perceived as more effective in curbing enemies. Classical theories of united front work of the Chinese Communist Party suggest that the scope of attack be restrained, and the number of enemies be kept to the minimal. The same principle applies to Hong Kong. From the way how Beijing antagonized the Democratic Party to how it beckoned its past enemy, it seems that its united front work in Hong Kong is to a large extent, pragmatic and versatile. Nevertheless, China's use of collaboration as a delaying strategy, notably on universal suffrage, has alienated even moderate democrats, which has made China's united front work on the 2017 and 2018 constitutional reforms even more difficult. By far, the democrats have formed a new alliance for universal suffrage which can be considered as a counter united front. Indeed, China's measures of soft tactics as well as containment and denunciation, being used in parallel, have polarized the local civil society which would run counter to Beijing's desires in its united front work. While part of the Hong Kong population are increasingly dependent on the central government for benefits and political decisions, the increasing sense of alienation of some others has provoked separatism and radical reaction much stronger than ever.

Alongside this, Beijing has actively involved in the local civil society by establishing parallel organizations, manipulating elections and organizing political activities to counteract popular participation. This has resulted in the further politicization and polarization of the civil society. In recent years, it is witnessed that the antipathy to state intervention in Hong Kong has spilled, fuelling general anger of local people towards Mainlanders and elevating to new heights conflicts between local groups who hold different views of China. As also noticed in other autonomous regions, Beijing's assimilatory policy, dedicated to cultivate state patriotism and dilute local identity of ethnic minorities, has transformed the tension between the state and the ethnic minority groups into clashes between the Chinese and the ethnic minority groups or clashes between different ethnic groups (Demirtepe and Bozbey, 2012).

Ultimately, in the framework of state corporatism, China's united front work will hardly be effective in achieving the Chinese ideal of social harmony, if, without a genuine respect for multiculturalism. The support of minority cultures, and a different cultural system such as that of Hong Kong, by the Chinese government has been utilized as a symbol of the state's endorsement of multiculturalism, the format and content of cultural diversity are however regulated. Ethnic minorities are included in official discourses in the contexts of "national unity" and "development": It is only within this overarching framework of national unity that ethnic minorities have been permitted to seek state recognition of their self-defined identity. They are also presented as groups in need of economic development. Believing that economic well-being may ease discontents amongst ethnic groups, Beijing presents itself as a benevolent patron, which unavoidably confines the groups' developmental choices to the ones formulated by the state. A similar mentality has been exhibited in Beijing's interaction with the civil society in Hong Kong, with an emphasis on Hong Kong as an economic city and the state as an important source of support and inspiration. While such cultural diversity is built upon hierarchies and formulated from top-down, united front unavoidably alienates and suppresses important aspects of ethnic and native cultures, and precludes other possibilities of development wanted by the locals from being actualized.

5. Conclusion

This article unravels China's united front work in the civil society of Hong Kong after the political handover since 1997. Using the case of Hong Kong, it aims to investigate China's direct and indirect influence in managing the local civil society through five types of corporatist measures, including integration, cooptation, collaboration, containment, and denunciation. While it has been widely analyzed by scholars that state corporatism characterizes the state-society relations in China, including the state's relations with its autonomous regions, the case of Hong Kong, however, shows that the ruling strategies of China are very adaptive and tend to be inclusionary.

The strategies analyzed above range from subtle to blatant moves, and from soft to hard tactics. They reflect a host of attitudes and aims of the central government in dealing with the local community, which run from assimilation to total rejection. The adoption of different strategies depends upon whether the central government regards its targets as friends, valuable potential cooptees or enemies. Nevertheless, because of Hong Kong's unique situation, China's strategies in this special administrative region appear to be more inclusionary than they are in the Mainland. The soft and hard tactics used in parallel in Hong Kong have resulted in further politicization and

polarization of the civil society, and transformed the tension between the state and the local groups into clashes between different local groups, as seen in other autonomous regions such as Tibet and Xinjiang. Over the years, the agents for state corporatism have been ever expanding in Hong Kong. The ideologies propagated have now gone beyond consensus and harmony to also include patriotism and reinterpretation of other political ideas, including universal suffrage, conducive to cultivating obedience.

Notes

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1. "External Direct Investment Statistics of Hong Kong 2011". <*http://www.statistics.gov.hk/pub/B10400032011AN11B0100.pdf*>
2. As of 2013, the Hong Kong LegCo is composed of 70 seats. Half of the seats are returned by five geographical constituencies (GC) of around 3.4 million registered voters on universal suffrage, and the other 30 members by 28 FCs of around 230,000 registered voters. The remaining five members are nominated by elected District Councillors, and elected by all registered voters who do not have a right to vote in FC elections. FC's eligible voters include designated individuals and legal entities such as organizations and corporations, representing predominantly business and professional interests. Over the decades, the non-uniform election methods within the FC, the unfair nature of their representation, and the institutionalized constraints FC placed on limiting the power and mitigating the

influence of the GC-returned legislators have attracted lots of criticisms and demands for their abolition.

3. *<http://www.basiclaw.gov.hk/en/publications/book/15anniversary_reunification_ch2_3.pdf>*

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Knowledge Gaps on Water Issues and Consumption Habits in At-risk Chinese Cities[+]

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Abstract

This research explores awareness of water issues and beverage consumption habits of students at four universities in northern China, the region most at risk for water shortages. While water is treated as a common property resource in China, there are significant demographic differences in attitudes towards state responsibility for water quality and supply, with older respondents, urban residents, and women showing more faith in the government. Surveys of 671 university students reveal a disjuncture between their awareness of shortages and pollution issues at the national level, and awareness of local conditions. A second disjuncture is apparent in respondents' views of local water quality and their own beverage consumption habits. Information on environmental degradation, including water pollution and water depletion, are considered internal documents and are not publicly available. Consequently, non-market mechanisms to manage water do not reflect water's real value. I discuss implications of these issues for the understanding of environmental policy in China.

Keywords: *Chinese cities, water resources, water pollution, public knowledge, water consumption, public health*

JEL classification: *D82, I18, Q25, Q53*

1. Introduction

Per capita water availability in China is only about one quarter of the world average. Water scarcity is particularly severe in northwest China as the majority of the country's water resources are located in the south (MWR, 2004). Northwest China also hosts one of the world's most fragile dry-land ecosystems – the Loess Plateau of the Yellow River basin. The region contains more than twice as much dry-land habitat as any other single country, and

about half of it is already seriously degraded. The region's severe water scarcity coupled with increasing water pollution in recent years ranks it among the worst environmental hot spots in the world (Kim, 2001; Nickum, 1998; Wang *et al*., 2005).

Historically, the term "northwest" in China connotes areas that are "poor, backwards, and harbouring large populations of minority people" (Sines, 2002). In early 2000 the central government launched the Great Western Development Strategy to bridge the economic gap between western China and the more prosperous coastal cities and provinces. Recent economic growth rates indicate that western China is growing faster than the rest of the country. Water demands are also growing significantly. Because of competing water needs, farmers in Shaanxi province reportedly unscrew the manhole covers over sewage pipes to irrigate their crops while urban residents go without tap water for days at a time during the driest months of the year (Economy, 2004). Coalmines in the province lose 100 million dollars a year because they do not have enough water for their coal during a significant portion of the year (Economy, 2004).

In addition, much of the region's water supply, historically inadequate to meet the population's demands, is now being rendered as unusable because of pollution caused both by domestic and industrial activities (Ma, 1999; Bellier, 2003; Zhao *et al*., 2005). Water shortages are exacerbated by the massive increased industrial and municipal discharge of untreated wastewater into rivers and lakes every year, increasing pollution in water source. These problems mirror a water crisis in the country. At the national level, water situation has also been aggravated by severe and extensive pollution that came with its booming economic growth. It is estimated that about 70 per cent of cities' groundwater and 75 per cent of rivers and lakes are contaminated by chemical, human, or animal waste (Nickum, 1998; Ma, 1999; Wang *et al*., 1999; Economy, 2004). Water scarcity will predictably increase as demand grows. To find a solution to this growing crisis, it is important to understand the current level of popular knowledge about water conditions as well as people's water consumption patterns.

Research on environmental awareness of the Chinese public has increased as the country's ecological problems have escalated, and there is an emerging consensus that environmental knowledge is at the heart of environmental protection. With respect to the environmental awareness of the Chinese public, it has been argued that Chinese residents are aware of many environmental problems, but they have a superficial knowledge of environmental protection (Xi, 1998; Lee, 2000; Hong and Xiao, 2007). Survey data indicates that Chinese generally recognize that serious environmental problems exist and regard water pollution one of the most serious aspects of environmental degradation. They also place priority on environmental protection over

economic growth (Shen and Saijo, 2008; Xiao and Hong, 2010). However, surveys have also found that people generally believe that the government is responsible for environmental protection, and they see little value in citizen action to protect the environment (Xi, 1998; Huang *et al*., 2006; Harris, 2008). Education appears to have a consistent positive influence on environmental awareness, although other demographic factors, such as age, class and gender, are found to have mixed impact on environmental concern (Hong and Xiao, 2007; Shen and Saijo, 2007). More recently, research cites the importance of employment status and city size in understanding environmental attitude and pro-environmental behaviour in China (Chen *et al*., 2011).

Several studies specifically assess the environmental awareness of Chinese students. One notable study compares student's environmental perceptions in Hong Kong and Beijing (Lee, 2000). Its findings suggest that secondary students are generally more concerned about the environment than primary students, and that students in Beijing are most concerned about solid waste disposal and wastewater disposal. Other surveys conducted on university campuses found that Beijing students ranked water pollution as China's most urgent environmental problem, ahead of both deforestation and urban air pollution (Wong, 2003). Students were also critical about the government's treatment of the environmental protection and were pessimistic about the future of China's environment (Wong, 2003).

As a whole, most of these studies focus mainly on the environmental attitudes and concern of college students in Beijing or other coastal areas such as Shanghai, Ningbo, and Hong Kong. While these areas are important politically and economically, they are not ideal for studies on water shortages because, with the exception of Beijing, the water supply in these areas is fairly secure. In contrast, little is known about people's attitude toward water shortages in dry areas in western China where climate renders its water situation much worse.

The present study aims to fill this gap. It compares the opinions and behaviour of college students living in Xian, a city in northwestern China, with students in Beijing. A metropolitan city with more than eight million residents, Xian is the capital of Shaanxi province and one of China's ancient capitals as well as a major centre of the western region. The Loess Plateau is within easy reach to the north. Its naturally dry climate coupled with fast economic growth has accelerated the rate of water shortages in the area over the past two decades (Zhao *et al*., 2005; Kahrl and Roland-Holst, 2008). Beijing is the political and cultural capital of China as well as the epicentre of the northern region of the country. For decades, Beijing has suffered from serious water shortages as well. The city experienced a drought every year since 1999, and at the same time, the growth rate of its enormous population accelerated (NBS, 2005). Because of Beijing's important status, however,

its water supply is fairly secure, and residents are rarely affected by water shortages in the area except rising water prices.

Public campaigns and media exposure have highlighted issues of water shortages and pollution at the national scale. While awareness of these issues is widespread, little is known about people's knowledge of health repercussions of such water pollution and scarcity. There are three ways that water can affect the public. First, access to the world's standard of the minimum per capita amount of water is essential to basic health and hygiene. Shortages can deprive the population of the amount of water needed to maintain a healthy lifestyle. Secondly, water can serve as the pathway for microbiological and infectious diseases if it is contaminated with human and animal waste. Finally, water can also be a conduit for transporting toxic chemicals from industrial and urban waste that can cause increased incidences of disease and death from disease in a population. China is uniquely susceptible to all three threats from its water supply because of its status as a transitioning market (Wu *et al*., 1999).

Unmistakably, attitudes and opinions have a powerful influence on behaviour. The opinions of college students concerning China's water crisis are particularly valuable since these students will one day become leaders and policy makers, working on issues related to water quality, supply and consumption.

2. Methods and Settings

To gauge the awareness of water scarcity and public health issues among young educated Chinese as well as their water consumption behaviour, surveys were conducted among college students in Xian (Xi'an 西安) and Beijing (北京) in July 2004, a time when both awareness of and conflict over water problems were fast increasing in China. In fact, in the summer of 2005, the Chinese central government released statistics on mass disturbances, the first time in post-1949 China. Many of the protests are over environmental and water pollution. For the current study, survey responses were collected from three universities in Xian and one university in Beijing. The four institutions are Shaanxi Normal University, Northwest University of Politics and Law, Xi'an College of Arts and Science, and Peking University. The survey questionnaire was comprised of a series of questions on water shortage, water safety concern measures, and personal beverage consumption habits. Most of the awareness and attitude questionnaire items used a dichotomy (yes or no) or double dichotomy format (strongly agree, agree, disagree, or strongly disagree).

Building on prior research, the survey questions focused on two issues: 1) awareness of water pollution and water shortages at the national level

and/or local level; 2) how concerns about water quality may affect beverage consumption habits. A total of 671 valid surveys on four university campuses were collected, of which 520 were from Xian (240 men, 278 women, 2 unknowns) and 151 were from Beijing (76 men, 75 women). Most of the students were between 19 – 25 years of age. Since Xian College of Arts and Science was a junior institution offering only three-year degree programmes, it had a somewhat younger student population. The college has since then been granted a university status and it now offers four year degree programmes. The other three institutions offered both baccalaureate and post-graduate degree programmes and therefore had some older students.

3. Results

3.1. Disparities in Knowledge of Water Quality Issues

Table 1 summarizes the respondents' knowledge and concerns on water issues. It is clear from the survey that awareness of water shortages is high among Chinese college students. Over 86 per cent of the respondents in Beijing and 80 per cent of the respondents in Xian agree that water shortages are a serious problem in China. A large majority of the respondents (87 per cent in Beijing and 77 per cent in Xian) also believe that there is a water shortage in their areas. Among those who are concerned about water shortages, Beijing students (58 per cent) are more likely than Xian students (36 per cent) to consider it a severe problem. Consistent with findings from other studies, most of the respondents (94 per cent) agree that water pollution is a serious problem. Many respondents (64 per cent in Beijing and 59 per cent in Xian) recognize that polluted water has a negative effect on health. Overall, respondents in Beijing are more likely than those in Xian to be concerned about water shortages, water pollution, and other water issues.

It is worth noting, however, that three quarters of the students in Xian and 64 per cent of the students in Beijing believe that water quality in their areas to be safe and clean, although a massive majority of them consider water pollution to be a serious problem in China. This indicates that university students are well aware of the grave problem of water pollution in the country. For many students, however, there appears to be a disconnection between their knowledge of national problems and awareness of local conditions. In some ways, this is expected since Chinese universities are all located in large cities where water system and water infrastructure are much better than other parts of the country.

There is a disconnection between the respondents' view of water quality in their area and their water consumption habits. As it is shown in Table 2, less than one third of Beijing students and less than half of Xian students

Table 1 Respondents' Awareness and Knowledge of Water Issues

	Beijing		Xian	
	%	n	%	n
Water shortage is a serious problem in China				
Agree	86.2	131	80.0	416
Disagree	13.8	21	20.0	104
There is a water shortage in the area				
Yes	86.8	132	77.1	401
No	13.2	20	22.9	119
Water shortage in the area is				
Severe	58.0	76	36.4	145
Mild	42.0	55	53.6	253
Water pollution is a serious problem in China				
Agree	94.6	140	94.3	481
Disagree	5.4	8	8.1	29
Water is safe and clean in the area				
Agree	64.0	89	75.2	352
Disagree	36.0	50	24.8	116
Water quality had a negative effect on your health				
Agree	64.1	75	59.1	251
Disagree	35.9	42	40.9	174

Table 2 Water Quality Concern and Drinking Water Consumption

	Beijing		Xian	
	%	n	%	n
Aware of water-borne diseases in the area				
Yes	32.9	49	49.2	255
No	67.1	100	50.8	263
Boiling water before drinking it				
Yes	96.0	145	95.0	488
No	4.0	6	5.0	26

believe there are water-borne diseases, yet more than 95 per cent of them boil water before drinking it. Indeed, Chinese have the tradition of drinking boiled water, but most of the students don't connect this practice with the prevention of water-borne diseases. In the survey, few people reported that they have become sick within the last year due to poor water quality in their area, and most are not even aware of different types of water borne diseases that may come from poor water quality. This indicates that the education of water safety issues and its effects on public health is still lacking in these areas and perhaps around the country.

There are also consistent differences between campuses in student's knowledge of water issues. As it is shown in Table 3, Peking University students display the lowest confidence in water quality and the highest level of awareness of a water shortage. When asked who is responsible for providing water to households, responses vary significantly among the universities. While more than three quarters of the respondents in Northwest University of Politics and Law agree that the government should be in charge of water supply, only 36 per cent of the students in Xi'an College of Arts and Science share this view. Instead, a majority of the students from this college believe that individual citizens should be responsible for securing household water. The percentage distributions of the responses by the students of the other two universities are quite similar, with a majority of them holding the government responsible for water supply.

These attitudinal differences may be explained at two levels: institutional and individual. At the institutional level, Peking University is one of the most selective universities and is known for its liberal tradition. It is also located in the capital city of Beijing, close to the information distribution centre of the country. At the individual level, its students are more liberal in their outlooks and more likely to be well informed on political, social, as well as environmental issues. Northwest University of Politics and Law in Xian is responsible for educating some of the country's political leaders, law enforcement officers, and lawyers. As a result it holds a strong allegiance to the government and its agendas. Its students tend to be politically conservative. Xian College of Arts and Science is a less competitive and regional institution, drawing students generally from small towns and rural areas where many households get water from either private wells or rivers. Both institutional and individual profile differences have an impact on the students' responses in the survey.

3.2. Regional and Generational Differences in Beverage Consumption

Water and beverage consumption habits reflect people's concern about water quality, knowledge of health repercussions of water pollution, as well as their standard of living. In the survey, respondents were provided

Table 3 Regional and College Differences in Water Concerns

	Peking University		Shaanxi Normal University		Xi'an College of Arts and Science		Northwest University of Politics and Law	
	%	n	%	n	%	n	%	n
Water in the area is safe and clean								
Agree	64.2	(89)	75.8	(250)	73.0	(81)	77.8	(21)
Disagree	35.8	(37)	24.2	(80)	27.0	(30)	22.2	(6)
There is a water shortage in this area								
Yes	86.0	(129)	75.8	(297)	73.0	(83)	72.4	(21)
No	14.0	(21)	24.2	(71)	27.0	(36)	27.6	(8)
Responsible for providing water to households								
Government	60.1	(89)	54.8	(201)	35.9	(42)	78.6	(22)
Work Unit	6.1	(9)	10.3	(38)	2.5	(3)	3.6	(1)
Private Companies	2.0	(3)	4.4	(16)	2.5	(3)	7.1	(2)
Citizens	31.8	(47)	30.5	(112)	59.0	(69)	10.7	(3)

Table 4 Beverage Consumption by College Students and Their Parents

	Beijing		Xian	
	%	rank	%	rank
Students				
Beer	21.6	5	28.3	4
Boiled water	79.8	1	82.1	1
Bottled water	55.1	2	38.3	3
Soft Drinks	34.8	4	25.4	5
Tea	46.3	3	64.2	2
Parents				
Beer	32.4	4	26.7	4
Boiled water	77.5	1	89.3	1
Bottled water	57.6	3	60.8	3
Soft Drinks	23.4	5	20.1	5
Tea	63.3	2	72.5	2

with a list of beverages and asked to mark three items that they consume most frequently. They were also asked to report on their parents' beverage consumption habits. Items on the list are: beer, boiled water, bottled water, juice, liquor/wine, soft drinks, tea, and others. Table 4 presents the percentage distribution and rankings of the beverages. As expected, boiled water is the most popular type of beverage consumed by both students and their parents. Other types of beverages commonly consumed by the students are bottled water, tea drinks, and beer. There is, however, a regional difference. While bottled water is consumed second most frequently by students in Beijing (55 per cent), their counterparts in Xian are much less likely to buy it (38 per cent). For many students in Beijing, tea and soft drinks are also popular choices for drinks. Xian students, on the other hand, prefer tea drinks more than bottled water. One possible reason for this difference is the cost of bottled water. At the time of our surveys, bottled water was more expensive than most other beverages in China, because there were a limited number of bottled water manufacturers. That is, however, no longer the case. Today the cost of bottled water has come down greatly. Given that per capita income in Beijing was much higher than that in Xian (*China Statistical Yearbook*, 2007), the disparity in bottled water consumption is hardly a surprise. With regard to students' income, about 40 per cent of those in Beijing report that they have monthly income of 500 Yuan or above, whereas only 6 per cent of the students in Xian enjoy the similar income level. It is clear that students in Beijing have a higher probability of affording soft drinks and bottled water.

In fact, we found in our interviews that respondents in Xian are more likely to think that bottled water was too expensive.

There is also a generational difference in beverage consumption habits. Parents of college students are much more likely to drink boiled water and tea than their children. Other types of beverages preferred by parents are bottled water and beer. Students, on the other hand, consume soft drinks at a higher rate than do parents. These trends mirror generational dynamics in consumption behaviour of Chinese residents.

3.3. Geo-demographic Effects: Regression Analysis

To gain a good understanding of how demographic characteristics affect people's knowledge of and concern on water, I performed logistic regression analysis on three dependent variables – water shortages, water quality, and attitude toward the government's responsibility for water supply. Table 5 summarizes the results of logistic regression model, reporting standardized coefficients. With regard to the perception of a water shortage, monthly income is a significant predictor. The positive coefficient suggests that respondents with high monthly income have a higher level of awareness of a water shortage than others. Place of origin also has an important effect on the awareness of a water shortage. That means the problem of water scarcity is more of a concern for students with city origin than students from rural areas, suggesting a regional effect on the variable. The influence of hometown origin is small but statistically significant in affecting the respondents' opinions

Table 5 Demographic Differences in Water Quality Concerns: Logistic Regression Coefficients

	Water Shortage	Clean Water	Water Provision
Age	-.080	.080	.119*
Gender[a]	.062	.028	.113*
Monthly Earnings	.121*	-.017	.019
College Location[b]	-.114*	.013	.028
Home Town[c]:			
City	.142**	.101*	.240**
Small Town	.022	-.059	.013
Constant	1.945	.783	3.183

Notes: [a] 1 = female and 0 = male
[b] 1 = Xi'an and 0 = Beijing
[c] Rural is the reference category.
* $p \leq .05$; ** $p \leq .01$.

about water quality. People from cities are more likely to believe their water is clean and safe. Most importantly, college location retains its statistical significance in shaping people's awareness of a water shortage. The negative coefficient indicates that the awareness of Xian students is lower than that of Beijing students, confirming the regional factor.

Age matters with regard to the perception of government's responsibility in water supply. Importantly, there is a positive relationship between age and the belief that the government is responsible for providing household water. Older respondents place more responsibility on the government than younger respondents. The age effect is likely due to the socialist environment in which the older adults grew up, where the needs of individuals were taken care of by the government. Women are more likely than men to hold the government responsible for water supply, highlighting a gender difference in attitude toward the role of the government in water issues.

Among the demographic variables, hometown location appears to have a significant effect on all three dependent variables. Compared with students from rural areas, students from cities are more aware of a water shortage and yet are more likely to feel that water in their areas is clean and safe for drinking. Urban students also emphasize more the government's responsibility for water supply. It is interesting to note that controlling for other factors, the effects of university location and university type on water concerns have become muted.

4. Discussion and Conclusion

University students in both Xian and Beijing are keenly aware of water challenges in the country. A great majority of them recognize that water shortages and water pollution are grave problems in the country. In general, urban students are more likely to be concerned about water quality and water supply than are those who are from rural areas, suggesting hometown origin matters with people's perceptions on water issues. This urban-rural difference in water concerns is consistent with past studies reporting that peasants express lower levels of environmental concern than do urbanites. There are two possible reasons for the observed difference. First, people in rural areas tend to have no or very low water bills; they get water from rivers, streams, as well as private wells. Urban residents, on the other hand, saw a series of water price increases in recent years, feeling more the consequences of ever growing water shortages. Second, compared with rural residents, urbanites have better access to various types of media that cover news and information on environment conditions. As a result, students growing up in cities are better informed on the environmental degradation in China as a whole. However, despite the large body of literature documenting the dismal situation of

China's water systems, a good percentage of the respondents surprisingly believe that water in their local areas is of good quality. It certainly indicates a gap between perception and reality in the students' knowledge of China's water problems.

It is not surprising that boiled water is the top beverage consumed in China. Following a long time tradition, both college students and their parents boil water before drinking it. A popular knowledge in China is that tap water is not drinkable without being boiled first. Yet, many respondents believe water in their area is clean and safe. This is a unique Chinese (if not an East Asian) concept of clean water. If boiled water does not cause any health problems, it is then clean water. Indeed, drinking boiled water has been a Chinese way of life that people don't connect with the reasons behind the practice. Customs and traditions are part of culture and the principal mechanisms by which people adapt to the world around them. Practices that help a society adapt to its environment are often taken for granted. Chinese perception about clean water is no exception.

This clean water concept indicates that people are uninformed about the fact that boiling will kill bacteria, but will not remove heavy metals and other toxins. Indeed, surveys results reveal that there is little public knowledge about the health effects of polluted water and the diseases that result from dirty water. It would seem that more active campaigns to promote such knowledge would help improve public awareness of this important issue.

Regional differences have been observed in beverage consumption. Overall, students in Beijing are more likely to purchase bottled water than students in Xian. Soft drinks consumption is also higher in Beijing than Xian, due primarily to different levels of students' income. The past decade has seen a rapid increase of soda and soft drinks products in China. With the changing lifestyle and income level, Chinese are shifting their beverage consumption patterns and buying more bottled water and soft drinks. This change has enormous consequences for both people's health and environment.

The survey data indicates that students in both Xian and Beijing have a high level of consciousness about water scarcity in China. Many of them, however, do not feel that water challenges are very urgent. It is also clear that they are well aware of severe water pollution in the country, but many of them are confident that their local running water is safe and clean. The lack of knowledge on water scarcity and water-borne diseases displayed by university students may be due to two reasons. First, water in China is treated as a common property resource. As a result, non-market mechanisms are in place to allocate and manage water resources. Water supply relies heavily on public subsidy and low price do not reflect water's real value. Marginal prices lead to not only overuse and abuse, but also misinformation. Second, people in China have limited access to accurate information related to water. Currently

China's legislation does not have mandate on the kind of information to be published or the frequency of its publication. Data on environmental degradation, including water pollution and water depletion, are considered internal documents and are not publicly available. Accessible information is often incomplete or inconsistent.

The development of improved mechanisms to manage and allocate scarce water resources will be crucial to sustaining China's economic development. It will be equally important for China to develop institutional transparent structure in publishing important data on its environment. Unless citizens in both rural and urban areas are well informed about the extent of the country's water shortages and water pollution, China will face an even greater water crisis as industrial and urban sectors continue their phenomenal growth and demands on the nation's water resources continue to expand. Informing and educating the public about the problems of water shortages is particularly important, because unlike other environmental degradations that are readily observable, water shortages in the form of ground water depletion may not be easily visible. Hopefully, future studies of water awareness and consumption in China will find a population that is more informed about the reality of its country's resources and their roles in water conservation and protection.

Notes

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India and the Shanghai Cooperation Organization: Issues and Concerns

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Abstract

This article attempts to analyze why India should consider itself as an ideal candidate for SCO membership, despite the member countries indicating that they have no plans to accept new members in the near future. Nevertheless, India should continue to pursue its case for membership, as it will benefit both India and the SCO members. In order to understand and analyze this, the article discusses the origin and growth of SCO and its emergence as a regional international organization. It identifies the potential benefits that India can gain by becoming the full member of SCO. It also analyses India's present concerns and the challenges it would have to confront after obtaining the full membership. Finally, it examines the prevailing perception of the US on SCO and the potentials of possible US engagement with SCO in the near future.

Keywords: *India, Shanghai Cooperation Organization, energy, China, Central Asia*

JEL classification: *F51, F52, F53, F59*

1. Introduction

In an increasingly integrated world, multilateralism has become vital in dealing with the new world order. According to John G. Ruggie, multilateralism is "an institutional form that coordinates relations among three or more states on the basis of generalized principles of conduct, i.e., principles which specify appropriate conducts for a class of actions, without regard to the particularistic interests of the parties or the strategic exigencies that may exist in specific concurrence" (Ruggie, 1993: 11). Apparently, in the present world order, multilateralism is seen as the most legitimate and consequently the most effective way of dealing with transnational issues. In this context,

one of the notable trends in promoting multilateralism has been the emergence of various strategic and regional organizations, such as European Union (EU), Association of South East Asian Nations (ASEAN), Asia Pacific Economic Cooperation (APEC), Organization of American States (OAS), South Asian Association for Regional Cooperation (SAARC), Shanghai Cooperation Organization (SCO), African Union (AU) and so on. The main reason for the emergence of regional organization is that countries have begun to realize that regional organizations are the way of transforming a complex regional security into a security community with an intention to mitigate the security problems through the creation of collective institutions based on common values and objectives (Dutta, 2011: 494). Furthermore, the regional organizations are a way to achieve their strategic interests in the region and also work towards addressing the global commons. In this regard, SCO is no different.

2. The SCO: The Origin and Growth

The SCO was established in 2001, consisting of six members – China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Gradually over the years membership of SCO has expanded. Presently it consists of five observer members – India, Pakistan, Iran, Mongolia and Afghanistan and the dialogue partners include Belarus, Sri Lanka and Turkey. The driving philosophy for establishing SCO was "Shanghai Spirit" – which emphasizes on harmony, working via consensus, respect for other cultures, non-interference in the internal affairs of other countries and non-alignment.

SCO, like other organizations continues to insist that it is not directed against any particular external threat or power (anti-western or US), but focuses on the maintenance of internal security and economic integration within and outside the region. However, many western analysts and policy makers regard SCO as anti-US, anti-western bloc, or as a Russian and Chinese anti-Western vehicle to counterbalance US interest and strategies in Asia-Pacific region (Aris, 2009; Thomas, 2008: 1321-1344). This argument was strengthened when SCO during the Astana Summit (2005), called for US to vacate its bases in Central Asia and rejected the US-sponsored Color revolutions in the region. In addition, western countries to a certain extent are concerned about the SCO's increasing engagement with Iran, Pakistan and India (Rothacher, 2008: 68; Maksutov, 2006). Thus, the US and some of the EU members continue to view SCO as an anti-western, undemocratic forum that threatens their interest in the region. Despite this, SCO has emerged as a significant organization in the international arena, which cannot be ignored by the international community.

The main guiding factor for establishing SCO was to address security concerns of newly independent countries that were created with the collapse

of the Soviet Union. Hence, they realized that it cannot be done unilaterally, rather a multilateral approach was needed and SCO would facilitate close cooperation with the Central Asian Region (CAR), in preventing the rise of terrorist organizations/religious extremism within the country and also preventing them from providing support to separatist groups operating in other countries (Yuan, 2010: 861). Thus the SCO's common focus was to work cooperatively against the "three evils" – terrorism, separatism, and extremism, and also includes the fight against drug trafficking and against terrorists, like Al-Qa'ida and Taliban-affiliated groups (Boland, 2011: 8).

Apart from this, the members believed that the enhanced engagement could improve trade and development across the national and regional boundaries. Subsequently, the members like China and Russia wanted to legitimize their own forms of domestic politics while providing a balance to US hegemony and also enhance engagement with East Asia, Central Asia and South Asia. Interestingly, it is argued that countries like China took the initiative in forming this organization to exhibit its leadership role in a region for China's future socio-economic development – including energy security and internal social stability (Norling and Swanstrom, 2007: 430). Overall, the founding members wanted to evolve a regional arrangement that would contribute towards bringing peace, stability, and prosperity in the region, which in a way would safeguard their national interest.

The foundation for establishing SCO was laid by the group known as "Shanghai Five", which was set up in April 1996, consisting of China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan. Initially, it was an informal forum to decide on the demilitarization and demarcation issues among Russia, Kazakhstan, Kyrgyzstan and Tajikistan. It was also meant for initiating confidence-building measures (CBMs) to solve the disputes in border areas. In the process, the group signed a "Treaty on Deepening Military Trust in Border Regions", and this was successful to a certain extent, as the borders were demilitarized along their 3,000 kilometre length on both sides and the disputed areas were generously corrected, which many regard, that it was done mostly in favour of China (Anna and Antonio, 2008). Apart from this, Kyrgyzstan ceded an entire mountain range, and Russia ceded marshland and islands on the Ussuri River (Rothacher, 2008: 69).

After the successful resolution of border areas, in 1998, the Almaty Declaration extended cooperation into other key areas such as: combating ethnic separatism, religious fundamentalism, international terrorism, arms-smuggling, narcotics and other cross-border criminal activities (Norling and Swanstrom, 2007: 431). Subsequently, the Chinese President Jiang Zemin in 2000, suggested setting up an *ad hoc* nature of multilateral cooperation. As a result, when the Summit of Shanghai Five returned to Shanghai (June 2001), the member states decided to institutionalize their cooperation

through establishing SCO and included Uzbekistan as the sixth member. In the process, it developed an institutional structure, which at present includes seven bodies and contains an internal mechanism which organize regular meetings for member states and this mechanism constitutes an integral part of discussion and policy-making within the SCO.

In 2003, the SCO to boost trade and development adopted the Multilateral Trade and Development Program, which was subsequently specified in more detail at the Tashkent Summit (2004) where 127 projects were included in the regional action plan, of which most of the projects focused on energy cooperation. At the same time, the new structure was given a permanent secretariat, which was set up in Shanghai. The SCO Business Council was founded in June 2006, having a Secretariat based in Moscow, consisting of a Chairman, Deputy Chairman, and Board consisting of member state representatives. Furthermore, in 2005, the SCO Interbank Association (IBA), also referred to as the Interbank Consortium was established. This Bank is now working towards strengthening cooperation with other major banks of the SCO members to help implement investment projects that are bilateral or multilateral in nature (Hansen, 2008: 220).

The Astana Summit (2005) was significant from the security perspective, as it laid greater emphasis on security and went on to institutionalize the Regional Anti-Terrorism Structure (RATS), responsible for safeguarding the security in Central Asia and mandated the close coordination of military, police and Special Forces of member states. The RATS emphasizes on harmonizing norms and practices for intelligence sharing and providing a strong political and diplomatic support of the practices and policies of its member states in tackling these challenges (Aris, 2012: 453). However, RATS prime focus is to fight against Uighur groups for China, Chechen groups for Russia and Hizb ut-Tahrir and the Islamic Movement of Turkistan for Uzbekistan, Tajikistan and Kyrgyzstan. In the process, RATS have claimed to have arrested/liquidated 15 heads of various terrorist groups.

In addition, from time to time, SCO held several large-scale military exercises, all aimed at responding to emergency security situations like the Peace Mission 2007[1], 2009 and 2010 and were based on responding to armed insurrections and terrorist attacks. The Peace Mission 2010, was hosted by Kazakhstan, and is regarded as more successful, than the previous mission, as it represented several advancements for the SCO's conduct of security exercises and included for the first time the Chinese bombers and night-time manoeuvres (Boland, 2011: 12). In addition, the SCO began to focus on soft power efforts like providing election observers to monitor elections in participant states and also provide relief assistance during the Sichuan province earthquake (2008) and floods in Pakistan (2010). Overall, this

organization over the decade has emerged as a powerful multilateral body in the Eurasian region and attracted international attention.

3. From Regional Organization to Regional International Organization

Although this organization began as a regional organization, over the decade it has gained international recognition and has emerged as a regional international organization with a new geopolitical profile in Eurasia and beyond for a variety of reasons, such as: (a) It has expanded its engagement with increasing inclusion of Observer members and dialogue partners, indicating engagement well beyond Central Asia into the South and West Asian region. (b) It has enhanced its cooperation with other regional and international organizations by signing a Memorandum of Understanding (MOU) with ASEAN and Commonwealth of Independent States (CIS) in 2005; the Organisation of Islamic Cooperation (OIS), which participates as a guest at successive SCO Summit; the Eurasian Economic Community (EEC) in 2006, with the Russia-dominated Collective Security Treaty Organization (CSTO) in 2007. The SCO also acquired observer status in the UN General Assembly (2004), and is in contact with UN Economic and Social Commission for Asia and Pacific (ESCAP) and United Nations Development Programme (UNDP). In 2010, it signed a Joint Declaration on Cooperation between the UN and SCO Secretariats (Roy, 2012: 646). Furthermore, in June 2011, it signed a MOU with the UN office on Drugs and Crime aimed at tackling the rising regional drug trade (Contessi, 2011; Arunova, 2011). (c) Although initially the SCO was regarded as anti-US or anti-western, over the years, both the US and EU have enhanced their engagement to stabilizes the Central Asian region. As a result, the SCO continues to develop links with the EU and the Organization for Security and Co-operation in Europe (OSCE). For instance, it attends EU and OSCE regular meetings, particularly on Central Asian security issues (Boland, 2011: 10). (d) From the beginning, Afghanistan has always drawn special attention at the successive SCO summit meetings, as it has vast implications for CARs. In the pre-9/11 period, SCO was only concerned about bringing about stability in Afghanistan through UN, rather than external forces like US and EU, and even supported 6 plus 2 (China, Tajikistan, Uzbekistan, Turkmenistan, Iran and Pakistan and two other Russia and US) model in settling the Afghan issue (Roy, 2012: 547). This position changed in post-9/11, as most of the CARs states began to support the US-led War on Terror and allowed the US-led forces to setup military base and provided logistical support in fighting terrorism in Afghanistan. Moreover, at the SCO summit (June 2004), it was decided to established SCO-Afghanistan contact group (SCO-ACG), and in 2007 the Russian President Valdimir Putin went one

step further and emphasized that there would be a special SCO summit to plan a reconstruction strategy for Afghanistan and in March 2009 at the Moscow conference it would deliberate on Afghanistan crisis. Thus, by giving adequate importance to the Afghan issue, it has been able to gain international recognition and the major powers have realized that the SCO has a vital role to play in bringing stability in Afghanistan. (e) Finally, it has gained international recognition with the presence of major powers like Russia, China and India, which bring closer cultural, economic and security cooperation in the region. Hence, the SCO has moved from a truly regional organization to an international organization, which India cannot ignore and rightly it has expressed its intention of becoming a full member.

4. India's Membership

Initially, India neglected CAR's. However in the recent decades, India is strengthening its relations with CAR countries through its "Connect Central Asia Policy". As a result, India is engaging with the region at a diplomatic level, with frequent high level and official delegations visits to CAR countries. The military cooperation has expanded gradually, as India continues to hold joint military exercise with Tajikistan (since 2003) and in November 2010, Indian Army Chief General V.K. Singh visited Tajikistan and talked about further enhancing the security and military contacts between the two countries (Panda, 2013a: 112). Subsequently, India's Defence technology and trade cooperation with Tajikistan, Uzbekistan and Kazakhstan is increasing. At the same time, India has initiated policies to engage with several CAR countries in areas such as capacity building, human resource development, information technology, pharmaceuticals, health care, small and medium enterprises and entrepreneurship development. Over the years, India may be likely to become a major investor in key sectors of several Central Asian countries (Luzyanin, 2007). However, it is yet to make any great progress like China in the region to meet its economic and energy security, but this can be achieved with greater cooperation with CARs through SCO.

In June 2011, the SCO formally approved a Memorandum of Obligation which enabled non-member countries to apply for SCO membership (Luzyanin, 2007: 645). In this context, India readily expressed its willingness to become a full fledged member. This was emphasized by the Former External Affairs Minister S.M. Krishna, that "India's entry into SCO will not only add value but also enhance the stature of the organization and India will lend more weight to the Shanghai regional group when it joins as a full member" (Radyuhin, 2012: 12). Thus, India has realized that it has lots to gain by its association with SCO and some of the key benefits include:

Gateway to Eurasian Market

India's strategic interest in CARs is mainly driven by economic and energy factors. As a result, it is in the interest of India to engage with the SCO to expand its trade and meet its energy requirements. In this regard, India is working towards the TAPI Turkmenistan-Afghanistan-Pakistan-India gas pipeline and from time to time signed various energy agreements with Central Asian countries like Kazakhstan, the India's state-owned Oil and Natural Gas Corporation (ONGC) Videsh Limited and KazMunaiGaz have signed agreement for the Satpayev oil block, a MoU exists between India's state-owned NPCIL (Nuclear Power Corporation of India Limited) and Kazatomprom for the supply of uranium to India and Kazakhstan and India have signed five agreements in the field of civil nuclear energy, space research and hydrocarbons.

Despite this progress, India needs to strengthen its energy cooperation with CAR countries for various reasons such as: (a) India depends upon 70 per cent of its foreign oil and it is estimated to rise to 85 per cent by 2020. Subsequently, India is the world's fourth largest energy consumer after US, China and Japan and it is predicted that by 2025, it will overtake Japan as the world's third largest net importer of oil (Kaplan, 2011: 8). As a result, many Indian security analysts believe that energy security will be India's prime strategic interest for the next 25 years. Hence, to meet its energy demand, CAR is the key energy region, as it is estimated that Turkmenistan, Uzbekistan and Kazakhstan have almost 300 trillion cubic feet of gas and 90 to 200 billion barrels of oil and Tajikistan and Kyrgyzstan have immense hydroelectric energy resources (Panda, 2013a: 111). Furthermore, India stands to gain from Russia and Kazakhstan, which are two of the major global energy producers outside OPEC and members of SCO. (b) India's efforts for making the Iran-Pakistan-India gas pipeline a reality is getting delayed due to price negotiation between the three countries, US pressure on India not to engage with Iran, Indian companies indecisiveness and also to a certain extent the China factor. (c) Presently, India heavily depends upon the Middle East and Indonesia for its energy requirements. Thus, it would be in India's interest to expand and secure energy resources from Central Asia via land routes because of the unstable political and security barriers that it faces with neighbouring countries like Pakistan and Afghanistan. Hence, India's aim of obtaining energy security could be served through the SCO forum which might not be possible in isolation.

In addition, India's economic ties with CARs remain the most unsatisfactory compared to its successful political and strategic engagement. In this regard, India can enhance cooperation in energy, building trade, infrastructure, transportations links, initiating and new corridors and the revival of old

routes through China can be facilitated by SCO mechanism, which will offer India new prospects of economic cooperation in the region (Roy, 2012: 648). Interestingly, India has the potential to share its experience in areas like banking, capital markets and micro-finance. Thus, India being a member of SCO, will get greater visibility and opportunity in the affairs of Eurasia region, which is strategically important for India's growth.

Long-term Stability in Afghanistan

Similar to many countries, India also believes in bringing a long-term stability in Afghanistan, especially after the withdrawal of the US-led troops by July 2014. At the same time, India is one of the biggest international donors in Afghanistan, having already committed nearly $2 billion, mostly non-military aid. Hence, India is concerned that once the Western troops exit Afghanistan, there will be a power vacuum in the country, which China will try its best to fill, both by itself and through the SCO mechanism. As a result, it is important for India not to give China a free run in post-2014 Afghanistan and this can be to a certain extent achieved by enhancing its engagement with SCO to secure its strategic interest.

Given that Afghanistan is also an observer member in SCO, India can achieve its interest in Afghanistan through SCO. This was emphasized by Sanjay Singh, Indian Secretary (East) in December 2012, that the situation in Afghanistan poses a major challenge and opportunity for the SCO, and India intends to address its interest by enhancing its cooperation with a structure of SCO like RATS, which has participated in drafting the action plan on the implementation of the UN Global Counter-Terrorism Strategy in Central Asia and has plans to strengthen counterterrorism cooperation with ASEAN.[2] The RATS has been responsible for successful criminal interdictions, arrests, and advance warnings to other SCO states like during the Beijing Olympics in 2008, the 2010 World Expo, and the 2011 Asian Winter Games RATS assisted on security matters (Tolipov, 2006; Suleimenov, 2009). Thus, through the security mechanism of SCO, India can secure its interest in Afghanistan. In addition, both Russia and China have greater influence in the region, such that US acknowledges Russia role for stability in Afghanistan. Hence, India's objective of bringing about long-term stability in Afghanistan can be achieved through the enhanced cooperation with SCO as a full member.

Backing of SCO Members

India's entry into any regional groupings/organization will realize its full potential, only when it is backed by a majority of its members. This applies to SCO also, where as per the approved rules adopted at the SCO Summit

in June 2010, India fulfills all the obligations and its membership is strongly backed by Russia and other CARs. For example, Russia's Foreign Minister Mr. Sergei Lavrov in April 2012, acknowledged India's pro-active participation as observer member in a range of SCO activities like the energy clubs, anti-terrorist structure, and other projects in transportation, new technologies, agriculture, science and education and also stated that "there is no bar to India's greater involvement in the SCO as a full fledged member" (*The Hindu*, 2011: 14). Since 2002, both Kazakhstan and Tajikistan continue to emphasize that the participation of India as a full member in the SCO would contribute to the growth of SCO (Baruah, 2002 and 2003).

The reason for a strong backing from Russia and a few of the CARs are: (a) India's long standing historical connection with the Eurasian region, which is strengthened by strong and growing bilateral relations with Russia and CARs countries. (b) India's emergence as a major power in Asia and as a potential balancer to China in organization also acts as a guiding factor for Russia and CARs countries to back India's candidature for membership. (c) For Russia, India is a strategic partner in the Asian Region and it could become its natural ally in the SCO, as well as one of the key links in forming a unified Eurasian energy market (Starchak, 2011: 126-135). (d) The SCO members realize that cooperation with observer states in areas of countering terrorism, solving growing environmental problems, ensuring food security, energy security and economic cooperation including banking can be realized to the potential only with the granting of full membership to the existing observer members. (e) Russia, Iran, Kazakhstan and Uzbekistan possess vast energy resources and hydrocarbon fuel, which, if jointly explored and rationally used, could tangibly improve the energy security of all the countries in the region. Furthermore, an expanded SCO will be of great benefit to South, South-West and Central Asia. Thus, the backing of key members provides greater scope for India's role in the SCO.

Non-intervention Principle

India has always and will continue to oppose any unilateral intervention in internal affairs of any country, except by the UN. In this regard, unlike the North Atlantic Treaty Organization (NATO), the SCO promotes regional stability, but has a track record of not intervening, either through military or support operational capacity in any dispute or security crisis within the region. For example, in August 2008, Russia invaded Georgia, and went on to recognize the independence of breakaway regions South Ossetia and Abkhazia from Georgia. This act of Russia was criticized primarily by the western nations and they even argued for intervention by UN or NATO. However, SCO members together opposed any form of intervention in

Georgia and remained mute spectators to the Russian invasion. Even during the unrest in Kyrgyzstan (April 2010), which led to sporadic violence and change of regime, the SCO did not intervene, but rather issued a statement of concern about the events and "expressed condolences to victims, and urged peace, security, and political stability" (Swanstrom, 2008). Although both the incidents indicate SCO's ineffective response to a regional crisis, but SCO is mainly guided by non-intervention policy. This serves India's interest also, as it is based on the principle of non-intervention in the integral affairs of its member states.

Other Benefits

It will provide India with a forum where it can constructively engage with both China and Pakistan in the regional context and project India's security interest in the turbulent region – South and West Asia. For example, the 9th SCO summit held in Yekaterinburg, Russia (June 2009) provided an opportunity for the President of Pakistan Asif Ali Zardari, and the Prime Minister of India Manmohan Singh, to discuss important issues between the two countries. Thus, this provided a chance to the leadership of both countries to use the sideline mechanism for bilateral discussions and give both countries an opportunity to use this forum to discuss security issues in a multilateral framework as well (Khan, 2013: 73). Furthermore, similar to India, the CARs countries are also victims of terrorism and hence the fight against terrorism is another important area of cooperation between India and SCO. Thus, through SCO India can work towards neutralizing the rising religious extremism and terrorism, which threatens India's security and development interest in the region. Furthermore, India's full membership will also bring India much closer to Russia and China, two of the four current members on the United Nations Security Council (UNSC) in addressing regional and global commons.

5. India's Concerns

Although there are significant benefits for India by becoming full member of SCO, India has many concerns such as:

Reluctance over Expansion of Membership

Although, India, Iran, Pakistan are keen on becoming full members of SCO. Presently there continues to be a difference of opinion among member states regarding whether the SCO should be enlarged and if so regarding the specific candidates for membership. For instance, China is reluctant and yet to endorse India's membership, at the 2012 SCO Summit, China argued that

the expansion of SCO is inevitable, but wants a "slow and cautious approach for the inclusion of new members, which is a step-by-step involvement of countries beginning with observer status and then dialogue partners and finally as full members" (Roy, 2012: 647). Subsequently, it stressed that "the relevant countries should work hard towards political, legal and technical preparations for membership" (Krishnan, 2012: 15). Thus, China made it clear that is not in a hurry over expansion of membership to SCO.

Other members like Uzbekistan, have refrained from official comment on the topic of further expansion. Kyrgyzstan feels that it is too early to talk about SCO expansion and argues that the group must first focus on cementing ties among current member states and address the existing problems. Tajikistan was more oblique and hinted at possible future support for Indian and Iranian membership. But it also warned that the SCO cannot extend its membership indefinitely. At the same time, it feels that economic incentives and security factors will play a major role in letting observer states become full members (Kundu, 2009: 7). Despite the lack of unanimity among the member states, members realize that sooner or later expansion has to happen, as entry of new members would add more weight to the grouping of Asian countries including China and Russia. In addition, member countries are also very much concerned mainly about Indo-Pak rivalry (both presently being observer member and are keen on becoming full members), which might overshadow the growth and prosperity of SCO and also undermine its core objectives, as it has happened to SAARC.

On the other hand, Russia is the only country advocating strongly the expansion of SCO at the earliest, as it feels that the inclusion of new members will boost the financial resources of SCO, whose budget is less than US$4 million and this is not sufficient for financing various programme and projects. Nevertheless, SCO members lack a unified opinion over the expansions and this remains a source of concern for India.

Pakistan Factor

Already China and Russia have indicated their willingness to include Pakistan in the SCO, as and when India is included. Similar to India, for Pakistan also, the SCO will provide an opportunity to expand its defence, security and economic relations, not just with China, but also with Russia, and CARs. Thus, both the countries benefit from SCO and will be included in the SCO sooner or later. Although, both have refrained from officially opposing each other's candidature into SCO, but are concerned about each other's role in SCO.

Pakistan's inclusion as full member into SCO will be a concern for India, since China will use Pakistan to counter-weight India in SCO. Moreover,

China and Pakistan have a long standing relationship and the former has also given overwhelming support to Pakistan which has at times posed greater threat to India's interest. For instance, it is alleged that Beijing had a quasi-alliance with Islamabad in the developing of nuclear weapons and missile technology; China stood first in supplying military equipment to Pakistan and still remains the backbone of Pakistan defense capability; even during the imposition of U.S. sanctions on Pakistan for going nuclear (1998); and China became the leading arms supplier to Pakistan and continued to collaborate in personnel training, joint military exercises, intelligence sharing, and counterterrorism efforts (Naseer and Amin, 2011). Since the finalization of Indo-US civil nuclear agreement, China is also emphasizing on similar agreement between the two, despite knowing Pakistan as a proliferator of nuclear weapons technology, and further in 2006, it supplied 2000 megawatt nuclear power plant, bypassing Nuclear Suppliers Group (NSG) regulations despite China being member (Dutta, 2011: 135). In addition, China is not forthcoming in condemning the role of Pakistan in 26/11 Mumbai attacks (2008) and opposed UN efforts to sanction the extremist Pakistan based Lashkare-e-Taiba and its Chief, Hafiz Saeed (Khan, 2013: 69). Thus, China's all weather friendship with Pakistan and the latter's stronger engagement with SCO members will have implications on India's strategic interest in Central Asia and its role in SCO.

Apart from Pakistan enjoying the support of China, the former also enjoys the support of Russia and other member states like Islamabad helped Moscow in getting an observer status at the OIC, and Moscow reciprocated by helping Pakistan in getting similar status at SCO (Rizwan, 2006). At the same time, the bilateral ties of Pakistan with Russia and CARs states have intensified in the recent time with high level visits and cooperation in energy and economic sectors. Overall, Pakistan intends to acquire full membership to actively participate in the affairs of the region, benefit from the development of the transport and energy corridor, contribute to the preservation of peace and stability in the region and strengthen its relations with Russia, China, and Central Asia, Iran, and Afghanistan (Khan, 2013: 70). Thus, Pakistan's full membership into SCO is inevitable and India will be confronted with Pakistan, which has the backing of China and Russia and is well connected with Central Asian countries rather than India.

China Factor

India's policy towards CARs is to a considerable extent determined also by the China and Pakistan factor. Over the years, both India and China have expanded its influence in the South, East, Central and West Asia region. However, India is confronted with the challenge of countering China's

growing influence in these regions, which has hindered India's growth. Thus, India will be confronted with the "China factor" in achieving its interest in CARs region. Although India and China seem to have shared security interests like checking Islamist fundamentalism or terror links in CAR, there will be clash of economic interests, linked mainly to the volume and reserves of energy resources that lie in Central Asia. Hence, it would be interesting to see to what extent China would accommodate India's economic and energy interest in CARs (Panda, 2013b). Moreover, China along with Russia was the co-founder of SCO and continues to dominate in SCO. Thus India will have to play the role of second fiddle to both the powers and India's effort to assert in this SCO will be limited. Interestingly, China is an observer member of SAARC and it is likely to seek SAARC membership in return for India's entry, which India can't avoid; as a result, India has to balance China in both SCO and SAARC.

Furthermore, India and China differs in their approach in CARs, which will have an impact on the working of SCO, like China focuses on multilateral cooperation in Central Asian Countries, however, India pays more attention to bilateral cooperation with Central Asian Countries. Subsequently, China is more concerned about US military presence in CARs, however, India in contrast is willing to have security relations and cooperation with the US and it does not oppose US presence in CA (Zhang and Saikia, 2005: 55). Thus, India will have to balance strong China in CARs and also achieve its interest in SCO. Overall, India stands to gain by becoming a full member of SCO. At the same time it will have to address the above mentioned concerns to strengthened its role in SCO and expand its influence in CARs.

6. Possible US Engagement with SCO

Over the decades, India-US relations have improved. However, India continues to be confronted with the problem of balancing its own strategic interest and US interest *vis-à-vis* many regions/countries like Indian Ocean region, Southeast Asia, South Asia, Middle East or countries like Iran, Myanmar, and so on. In this regard, the US and India have different perceptions on SCO. For instance, India unanimously perceives that it stands to benefit through engaging with SCO. On the other hand, the prevailing US perception on the SCO has been divided. Thus, India's full membership in SCO will have implication on Indo-US Strategic partnership.

The US is yet to evolve a consensus on its comprehensive engagement with SCO, since one school of thought argues that the main intention of SCO is to unite the CAR countries in an anti-US regional security organization (Germanovich, 2008: 21). Subsequently, there is justified fear that both Russia and China would work towards developing a Eurasian military grouping

within SCO as a counterweight to NATO. This argument was strengthened when US application for SCO observer status was rejected in 2005 (Kavalski, 2012: 1946). In contrary to this perception, the other perception is that SCO does not pose any major political, economic or military threat to US interest, as the forum has more factors that disintegrate than integrates. In this regard, Donald Rumsfeld, the US Defence Secretary argued that the SCO's Peace Mission 2005 and subsequent military exercise do not pose any threat to the US (*China Daily*, 2005).

The other interesting perception is that although SCO does not pose direct threat to the US, it is in the interest of the US to closely observe the activities of the SCO and seek cooperation with the organization. By engaging with SCO, the US can achieve its economic, political and military interest in CAR, i.e., moderating global prices via continued extraction of oil and gas in the region, ensuring pipeline security, promoting US and EU energy security through diversified suppliers and export routes; and supporting US private investment (Germanovich: 23). Moreover, the US interest in Afghanistan is hindered, as it was due to pressure from the SCO that the government of Uzbekistan insisted on US troops to close down Karshi-Khanabad Airbase (K2) in 2005. Thus, US interest will be better served through enhancing its engagement with SCO.

Although, US interest will be better served by engaging with SCO, rather than confronting, it would be of interest to see how the US will overcome the challenges with its formal engagement with SCO. Some of the possible challenges for the US includes: (a) The growing influence of joint powers of China and Russia in the Eurasian region. (b) Inclusion of new members like India, Pakistan, and Iran, which will strengthen the groupings. (c) The vast portion of arms transfers among these members like China-Pakistan, India-Russia and Iran- Russia and China. Subsequently, the scientific competencies, technological know-how and economic growth are promoting defence modernization among Russia, China, India and Pakistan. (d) US attempt to isolate Iran has been neutralized with the latter engagement with SCO members, as it has provided it with a much sources of import and export. Thus, US engagement with SCO will be successful, if it can address the above mentioned challenges. Nevertheless, the cooperation of both India and the US in SCO can achieve the key economic and energy interests and also help in neutralizing the joint powers of China and Russia in the Eurasian region.

In a nutshell, SCO has emerged as an important power centre in the era of multilateralism and is a mechanism for sustained regional cooperation in Central Asia, through discussion and agreements between member states. Subsequently, it is very well acknowledge that SCO is to a certain extent playing a pro-active role in providing peace, security and stability in the region and has the potential to form one of the first and most dynamic

networks for emerging nations in Asia, in which India can't stay isolated. Thus, it is in India's interests to seek permanent membership of this grouping to maximize its economic, energy and other strategic interests and also to promote and establish peace and security in the Eurasian region.

Notes

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1. It involved 6,500 troops, 80 aircraft, a war game at the general staff level, troop movements across 10,000 kilometres and spectacular air and ground assault.
2. Statement made by Mr Sanjay Singh, Secretary (East) at the SCO Heads of Government Meeting in Bishkek , 5th December 2012. Available at *http://www.mea.gov.in/bilateral/documents.ht?dtl//20907/Statement+by+Mr+Sanjay+Singh+Secretary+East+at+the+SCO+Heads+of+Government+Meeting+in+Bishkek*

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Research Note

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Taiwan and Mainland China: Impacts of Economic Progress and International Environment on Political Trajectory in Comparative Perspective

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Abstract

While Taiwan's democratization and China's continuing authoritarianism have often been attributed to the decisions of their leaders, might there, instead, be external factors which have ensured that these two polities would have walked along more or less the same route that they have so far, regardless of who their rulers are? Questions as such make for a good basis of comparison between the two states and may offer a deeper insight into the facets of democracy and authoritarianism. Without contesting the relevance of other factors in influencing these two states' political trajectories, this paper explores and evaluates the two most popular sets of factors – economic factors related to the modernization theory and those from the international environment including impacts from abroad on regime security and on domestic dissident movements – which have been put forward to explain Taiwan's democratization versus China's continuing authoritarianism.

Keywords: *democratization, democracy, authoritarianism, Kuomintang, Chinese Communist Party, dissidents, modernization theory, international environment, Taiwan, Mainland China*

JEL classification: *H11, H12, Z18, Z19*

1. Introduction

On September 1, 1996, an article titled "The Short March: China's Road to Democracy" was published in the *The National Interest* journal. The article starts off with the intriguing lines, "When will China become a democracy? The answer is around the year 2015. Some might think such a prediction foolhardy but it is based on developments on several fronts, ones inadequately reported in the American media." Five years later, Henry Rowen, author of

the aforementioned article, revised the deadline for China's crossing the democracy threshold to 2020. Two years after that, he revised it further to predict that China[1] would join the ranks of "free" countries by 2025.

For many, these predictions may appear truly "foolhardy". Note, however, that Rowen is not the only one making such prognostications; the downfall of the Chinese Communist Party (CCP)[2] has been repeatedly prophesied by various academics over the past decades. Other recent prophecies include Shaohua Hu's *Explaining Chinese Democratization* (2000), which foretold that China's transition to democracy would transpire by 2011, a target which has clearly not been achieved. Like Rowen, Bruce Gilley's *China's Democratic Future* (2004) argued that the possibilities of China democratizing before 2020 were high; similarly, Yu Liu's and Dingding Chen's "Why China Will Democratize" (2012) predicted that China would "embark upon democratization around 2020". Ronald Inglehart and Christian Welzel's *Modernization, Cultural Change and Democracy* (2005) projected China's democratic breakthrough to occur within the encouraging time period of the next two decades, while Will Hutton's 2012 article in *The Observer* postulated that "A Chinese spring is now very likely sometime in the next 10 years".

Reading these claims, one might be led to assume that China is teetering on the brink of revolution. Thus far, however, China has seemingly resisted the waves of democratization which have swept through the globe. The question that must be asked, hence, is: how? What factors have sustained China's authoritarianism until today, in spite of the various factors which the aforementioned authors had identified in their works which render democratization a distinct possibility? It is with this question in mind that one might turn to a particular island off the southeastern coast of China for answers. Democratic Taiwan 臺灣, officially the Republic of China (ROC, 中華民國), stands in intriguing, defiant contrast to China as the road not taken. Her ruling regime, the Kuomintang 國民黨 (KMT)[3], shared much of the same history and culture with the CCP, in that both parties were birthed from the same turbulent, revolutionary political conditions which had swept through early-twentieth-century China (Diamond, 2008). Indeed, they had even allied together for a time to form the First United Front in their efforts to eradicate warlordism from China. When ideological cleavage between these two parties led to the Chinese Civil War and the ROC government's defeat, then-KMT leader Generalissimo Chiang Kai-shek 蔣介石 retreated with a significant amount of gold and approximately 2 million Nationalist refugees to the small island of Taiwan where he established a hard-line authoritarian regime, while then-CCP leader Mao Zedong 毛泽东 took control of mainland China and set up a brutal dictatorship. Both leaders were responsible for appalling excesses of power: following the 228 Massacre of 1947 (二二八大屠殺), Taiwan was consigned to the White Terror (白色恐怖), one of the

longest martial law periods in world history. Under the grim eye of the Taiwan Garrison Command secret police body, tens of thousands of Taiwanese were imprisoned and executed. China, in the meantime, suffered through the Great Chinese Famine and the Cultural Revolution, in which millions of Chinese died through starvation, suicides and executions. In the wake of Mao Zedong's and Chiang Kai-shek's deaths in the mid-1970s, however, Taiwan's subsequent leaders have carved out a drastically dissimilar pathway from that of China's. While Deng Xiaoping 邓小平 and his successors have leashed China firmly to the authoritarian end of the political spectrum, Chiang Ching-kuo 蔣經國 and Taiwan's ensuing leaders have successfully facilitated a bloodless and relatively peaceful democratic transition by imposition for their nation.[4]

With this state of affairs, it is tempting to entertain a number of what-if scenarios: What would have happened if roles had been switched and the KMT, rather than the CCP, had won the Chinese Civil War? Would China then have followed a democratic trajectory like that of Taiwan while Taiwan followed an authoritarian trajectory like that of China? Or is it overly simplistic and naïve to attribute Taiwan's democratization and China's continuing authoritarianism to the decisions of their leaders – might there, instead, be external factors which have ensured that the two countries would have walked along more or less the same route that they have so far, regardless of who their rulers are? As various political analysts have found, these questions make for a good basis of comparison between the two states and may offer a deeper insight into the facets of democracy and authoritarianism. There is thus a rich treasure trove of literature on this subject. Without contesting the relevance of other factors in influencing these two states' political trajectories, this paper will explore and evaluate the two most popular sets of factors which have been put forward to explain Taiwan's democratization versus China's continuing authoritarianism.

2. Economic Factors

Out of all the models which have been identified to explain China's and Taiwan's distinct political trajectories, the modernization theory is arguably the most hotly debated in contemporary academic literature. This theory is an endogenous model which postulates a link between the "economic development complex" (i.e. factors related to economic development, such as industrialization, urbanization, education, and wealth) and democracy (Lipset, 1959). The simplest and earliest version of it argues that the more a(n authoritarian) country modernizes, the more a "state of mind" favourable to liberalization is promoted within her, and thus, the higher her chances are of democratizing. This theory has frequently come under heavy attack due to its multiple issues with Western-centrism as well as oversimplification of the

process of social and political change, but time and time again, it invariably persists in making comebacks into the academic spotlight, albeit in modified forms. The theory's inescapable attraction is that, despite its inability to function as the one-size-fits-all explanation for how countries work which earlier modernization theorists had anticipated that it would, it does still serve as the key to understanding the development of a large number of politically and economically significant countries.

Taiwan is one such state whose development functions as a perfect textbook validation of the modernization theory, for she has proven to be one of the most successful later industrializers in the history of the twentieth century as well as a "best-case" democracy (Rigger, 2004). The pre-conditions for Taiwan's modern economic growth were initiated before the KMT's arrival upon her soil and are highly distinguishable from that of Mainland China's. Prior to the First Sino-Japanese War, Taiwan was a peripheral province of the Ch'ing 清 (Qing) dynasty and played a somewhat negligible role in the Chinese economy. With the 1895 Treaty of Shimonoseki (*Shimonoseki Jōyaku* 下関条約 / *Ma Kuan T'iao Yüeh* 馬關條約), however, Taiwan was ceded to Japanese control for approximately the next half century and came into the limelight as Japan's first overseas colony. Intending to "prove that Japan could out-colonize those who might dream of colonizing Japan", the colonizer worked to shape Taiwan into a "model colony" capable of rivaling those of Japan's Western counterparts, and so instituted a form of 'developmental colonialism' via investing much effort and resources towards upgrading the island's industry, infrastructure, education, agriculture, sanitation, etc. (Rigger, 1999). Although she was kept on a tight leash to prevent the potential flowering of political dissent[5], the benefits that Taiwan reaped from living "through half a century in a highly developed industrial capitalism" were highly significant (Wang, 1946: 7). As can be seen in Table 1, Taiwan's per capita gross domestic product (GDP) growth rate dramatically outperformed that of China's during the period of Japanese rule (Cha and Wu, 2002). Thus, at the culmination of the Chinese Civil War, Taiwan was superior to

Table 1 Taiwan, China and Japan: GDP Per Capita (in 1990 US dollars)

Region \ Year	1890	1903	1913	1933	1938
Taiwan	–	560	701	1175	1236
China	540	547	552	578	589
Japan	1012	1193	1385	2122	2449

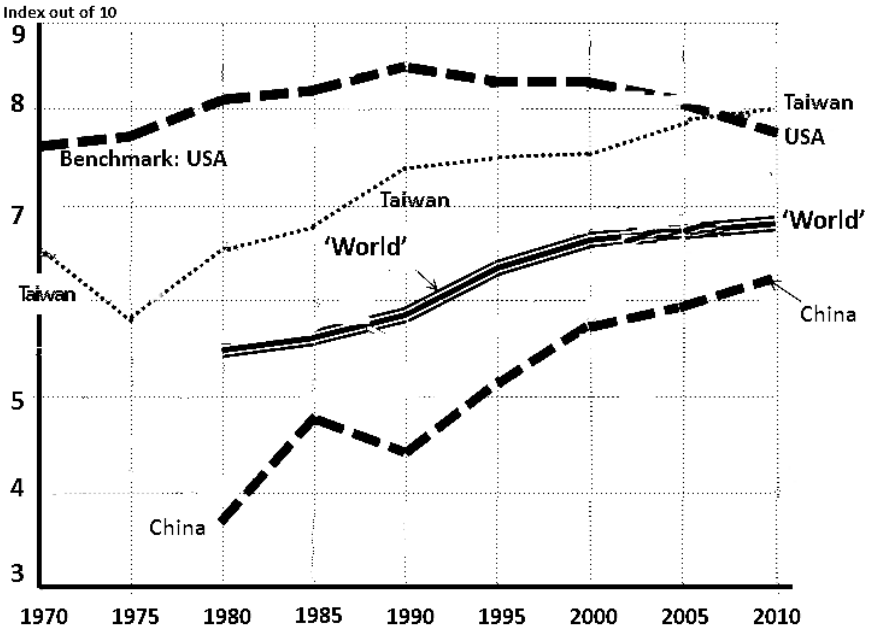
Source: Cha and Wu (2002).

China in terms of her better infrastructure, better health, higher educational attainment, and higher industrialization, albeit still lacking in democracy and local leadership initiative.

Taiwan's GDP suffered a dramatic drop during the turbulent years of World War II due to American bombardment and the exploitation of its resources to fuel the Japanese war machine (Leng, 1993). The solid foundation for economic development which Japan had laid down, however, stood Taiwan in good stead, and so the damages Taiwan had incurred were gradually alleviated over time. Recognizing the mistakes made which had led to the fall of the KMT in China, Chiang Kai-shek decided to change their approach in handling the economy in Taiwan and so, with the support of massive United States (US) aid programmes, he introduced capitalistic institutions to the region in the form of free enterprise, land reform, small businesses and sound monetary policies. Thus, while the political system still remained firmly under an authoritarian thumb, the economic system was given leeway to flourish on its own. This decision proved truly pivotal, for, it led to a growth spurt even steeper than that enjoyed by Taiwan during Japanese rule (Cha and Wu, 2002). By 1965, Taiwan's economy was able to become self-sustaining enough that she no longer needed nor wanted the US economic aid that she had previously received (Maclay, 1997). Thus, when Chiang Ching-kuo came into power in the 70s, he was taking command of a rapidly industrializing and urbanizing Taiwan, whose increasingly educated and politically conscious people had begun to chafe under the repressive yoke of the hard-line authoritarian policies since Chiang Kai-shek's era.

It is at this point that the predictions of the modernization theory begin to appear validated, as can be seen from the events which followed. Local elections were held in an effort to increase the political participation of the native Taiwanese. Four new members, all of whom were highly educated and had no significant connections to the military or the Chiang family, were elected to the KMT's top decision-making body, i.e. the Central Standing Committee in 1986 (Copper, 1987). Most importantly, the KMT convened with intellectuals and opposition leaders in discussions which eventually led to the end of martial law and the formation of a major national opposition party, i.e. the Democratic Progressive Party (DPP). In short, many governmental reforms were launched which enabled the system to transition gradually away from hard-line authoritarianism to partial democratization[6]. These liberalizing measures not only involved the political realm, but fed back into the economic one as well. As can be seen from Figure 1, Taiwan's economic freedom has steadily increased since 1975, i.e. the year Chiang Ching-kuo fully came to power. This has paid off well, as can be seen when referring back to Cha and Wu (2002) cited above. Thus, in 1986, Taiwan was credited as the top nation throughout the globe in terms of economic performance (Copper, 1987), and

Figure 1 Taiwan and China: Economic Freedom (Chain-Linked Summary Index, 1970-2010)



Source: Kasper (2013), from Gwartney, Lawson and Hall (2012: 18-21) <*http://www.freetheworld.com/*>.

when Chiang Ching-kuo's successor, the native Taiwanese Lee Teng-hui 李登輝, came onto the scene in 1988, modernized Taiwan was ready for his efforts to facilitate her evolution into a full-fledged constitutional democracy.

While Taiwan's political and economic trajectory sits easily within the contours of the modernization theory, China's case is much less clear-cut, for China did not fare as well as Taiwan in terms of economic growth and stability for the better part of a century. After her 1895 defeat at the hands of the Japanese in the First Sino-Japanese War, China had to deal with, in rapid succession, the Coup of 1898, the 1900 Boxer rebellion, the Hsin-hai (Xinhai) Revolution (辛亥革命) of 1911, the decade-long Warlord Era starting in 1916, and the 1927-50 Chinese Civil War. The KMT's later success in managing Taiwan's economy came at the cost of much economic mismanagement during their reign in China, which was afflicted with rapid hyper-inflation, governmental inefficiencies and widespread corruption[7]. The situation only worsened with Mao Zedong's subsequent governance, which was characterized by a chaotic, deadly devastation of life and society due to Mao

Zedong's disastrous sociocultural experimentations. It was only when Deng Xiaoping came to power in 1977 that the negative economic repercussions of the constant societal upheaval began to be alleviated.

Deng Xiaoping excelled in his role as the "political godfather of economic reform" (Naughton, 1993). Like his contemporary Taiwanese counterpart, Chiang Ching-kuo, his actions were constructive in facilitating the level of economic freedom within the country, as Naughton notes,

> Deng has been willing to adopt policies of non-intervention. He has allowed economic (but not political) developments to unfold without constant interference from the Party or government […] Deng has displayed a personal talent for laissez-faire: he has mastered the ruler's art of non-acting.

This, coupled with a new emphasis on opening China to the outside world, the adoption of the Four Modernization goals, and various other economic reforms, was pivotal in reviving China's stagnated economy and bringing her back onto the path of modernization. Since then, her economic performance has been nothing short of an extraordinary success story. Propelling herself upwards dramatically upon the back of an enormous economic boom, China can today take her pride of place upon the world map as an emerging superpower potentially capable of rivaling other hegemonic forces today. What is truly fascinating, however, is the apparent ability of the Chinese government to engender such impressive economic growth without having given up its authoritarian grip over the country. Over the years, the troubling incident of the 1989 Beijing-Tiananmen massacre[8], the persecution, incarceration, torture, exile and re-education through labour of political dissidents at various points in time, the 2011 crackdown on pro-democracy protests and many more have shown that democracy is unlikely to come as peacefully to China as it did to Taiwan, if it comes at all. Much discussion has centred on unpacking her intriguing model of economic freedom and political repression, as its existence appears to go against the conventional wisdom that liberalizing economic and political reforms must go hand in hand – which is incidentally also the conventional wisdom of the modernization theory. The conclusions drawn from these discussions can vary tremendously, as will be elaborated upon below. Meanwhile, Womack (2012) notes the contradiction while highlighting the role of the peculiar domestic governance characteristics in its explanation:

> […] the failure of leftism in China and Vietnam and the subsequent success of reform and openness raise the question of the essence of modernization. They tried and failed to take a different road, and yet their present and foreseeable paths of modernization are quite different from parliamentary states. Market forces now operate within self-restrained party-states, and even administrative rewards are primarily contingent on economic growth.

> Shanghai has again become a Weltstadt, more like other cities of its rank than like the rural hinterland that supplies its internal immigrant labour force. There is a convergence of domestic governance issues and policies that is not painted onto China from the outside by globalization but rather is emerging from the greater sophistication and diversity of its own society.
>
> (Womack, 2011: 165)

One interesting argument that has been posited is that the modernization theory may still be compatible with the China model if one takes into consideration the theory's foundational assumption that modernization occurs as a linear process which can be divided into a series of stages. With that in mind, one might regard China as having not yet achieved the political liberalization that the modernization theory anticipates she should because she has not yet modernized *enough*, and so the contemporary China model resides in the penultimate phase of the modernization process rather than in the final phase. In terms of the Rostovian take-off developmental model, for example, it may be reasoned that China is currently experiencing the "drive to maturity", i.e. the fourth stage of economic growth, and will, in time, eventually reach the end point of the "age of high mass consumption" that other more developed and democratic countries are currently enjoying. In short, modernization has occurred in China; democratization will arguably follow with sufficient patience.

This particular idea has enjoyed long-standing influence with the Chinese government, who has emphasized time and again that China is not yet ready for democracy due to the "feudal culture" of the people. Related to this is the policy justification based on the perception of the level of *suzhi*:

> In the analysis of deeply embedded concepts such as *suzhi* 素质 (human quality), for example, we see that the terrain of government has widened considerably and that not all citizens (or we might say "citizen-subjects" to capture the dual sense of autonomy and heteronomy implied here) are treated equally. In terms of the discourse of suzhi, for example, some are seen to possess the attributes of "high quality" (*gao suzhi* 高素质) and are thereby able to govern themselves, whilst others are in the "low quality" (*di suzhi* 低素质) category and in need of "self-improvement" […] government is much more than the act of policy formation and implementation but just as equally about the formation of conceptual categories of "the governors" and "the governed".
>
> (Sigley, 2013: 180-181)

In a CBS interview in September 2000, for example, then-president Jiang Zemin 江泽民 had shown his disagreement with the Chinese people's "fitness for democracy" through the provocative statement that "The quality of our people is too low", and thus it is unwise for any person to attempt to hurry up the process of liberalization (Li, 2004). Ultimately, however,

it is difficult to take the CCP's claim seriously, as the regime's stake in the political situation of China makes it all too likely that this argument is mere obfuscation to respond to critics asserting that the true obstacle to democracy is the government itself. Fortunately, academic discussion provides rather more thought-provoking arguments to make their case. In a 2008 article "Comparing and Rethinking Political Change in Taiwan", for example, China specialist Bruce Gilley addresses the methodological consideration of periodization, i.e. comparing like periods. As has been chronicled above, Taiwan's economic development had started earlier and enjoyed much more stability than that of China. Furthermore, Taiwan being the manifestation of a "best-case" democratization that she is indicates that her political trajectory is not the norm; in fact, Taiwan may be seen as experiencing a uniquely early democratic transition as compared to other countries. Thus, Gilley argues that it is unfair to compare modern Taiwan to modern China; instead, by imposing a 26-year lag on China, one might see that the 2003 income level of China is equivalent to Taiwan's 1977 income level and thus, still far off from the income level which Taiwan had when the she achieved her 1986 democratic breakthrough. Taking into consideration the fact that Taiwan's democratic transition is assumed to have occurred earlier than the norm, this figure implies that the earliest possible date for China's democratic transition is 2013, and thus, it is unrealistic for critics to expect that China should have democratized in previous decades.

Another relevant argument in academic literature which ties the China model neatly into the modernization theory is the analysis of noted academics Adam Przeworski and Fernando Limongi, who had put forward a more nuanced version of the said theory. In their work "Modernization: Theories and Facts" (1997), Przeworski and Limongi contended that an increase in economic modernization, and thus an increase in the per capita income of a country increases the possibility of a democratic transition to occur, but only until the per capita income of the said country reaches US$6000. Above that level, authoritarian governments grow stronger and the possibility of the country's democratic transition becomes weaker as per capita income increases. The explanation they put forward for this phenomenon is as follows:

> The intuitive story is this: Suppose that the political forces competing over the distribution of income choose between complying with the verdicts of democratic competition, in which case each can expect to get some share of total income, or risking a fight over dictatorship, which is costly but which gives the victor all of the income. Now suppose that the marginal utility of consumption is lower at higher levels of consumption. Thus the gain from winning the struggle for dictatorship is smaller. In turn, if the production function has diminishing marginal returns in capital stock, the "catch-up" from destroying a part of it during the war for dictatorship is faster at lower

> levels of wealth. Hence, in poor countries the value of becoming a dictator is greater and the accumulated cost of destroying capital stock is lower. In wealthy countries, by contrast, the gain from getting all rather than a part of total income is smaller and the recuperation from destruction is slower. Hence, struggle for dictatorship is more attractive in poorer countries.

Through this, one may conclude that modernization appears to have a push and pull relationship with regime dominance; below the GDP level identified by Przeworski and Limongi, the push between modernization and authoritarianism is stronger, but past it, the pull prevails. China, thus, has arguably moved past that critical level of economic development at which modernization would play an important role in her transition to democracy. This suggests that should she democratize in the future, such an event should be credited to other factors which have successfully overcome the pull relationship aforementioned, instead of being viewed as mainly an achievement of modernization.

While all the arguments above function in such a way as to render the modernization theory compliant with the China model, the implications they hold for China's future could not have been more different. Interpretations of the China model using Przeworski's and Limongi's argument will prove less welcome to democratization proponents than interpretations using the argument that China just has not modernized enough, as the latter implies that the economic growth currently progressing will result in a higher chance for democracy to come to fruition, but the former suggests that economic growth will instead act as an obstacle to that eventuality. Despite its pessimism, however, Przeworski and Limongi's analysis has an advantage over the others in that it deals with a glaring flaw of the basic modernization theory. While the modernization factor may be used to explain the fall of KMT authoritarianism as shown above, on the flip side, it can also provide equally compelling evidence for explaining the CCP's continued dominance, for China's economic growth has been identified in both academic and popular discussion as a main factor in consolidating the CCP's "performance legitimacy".

The CCP has faced many challenges ever since it began its reign of power; the disillusionment of the populace with the regime due to the Great Chinese Famine, for example, as well as the anger and turmoil which came about as a result of the 1989 Beijing massacre mark the big milestones in the CCP's struggles for legitimacy. In recent years, the threats to their authority have grown much less dramatic, though no less insidious – much academic discussion has centred around how popular discontent caused by contemporary issues like burgeoning corruption, environmental destruction and deepening economic inequalities are threatening the party's power. Despite all this, however, most academic measurements have found that the CCP enjoyed

consistently high legitimacy levels. Gilley's 2006 legitimacy index, for example, ranks China as the top 13th out of 72 states in terms of legitimacy scores, right upon the heels of Taiwan in the 12th place and beating out countries like Switzerland, New Zealand and South Korea (Gilley, 2006)[9].

In a time when a trend of declining public trust is found throughout the world, especially in the wake of the recent financial crisis, Chinese confidence in the CCP is still one of the highest to be found relative to other countries, as can be derived from analyzing the Edelman's Trust measurements (*2012 Edelman Trust Barometer*). It comes as quite the ironic revelation that this high legitimacy is widely attributed to the CCP's purported success at bringing modernization to the country. Since the failure of Mao Zedong's communist ideology in serving as a valid source of legitimacy, the CCP has pragmatically turned to focus on economic performance to justify its rule.[10] This redefinition of the public interest has proven to be a masterful move; as one may note from, for example, the data gathered by the 2007 World Values Survey, a high level of economic growth is by far the most important national goal as considered by the Chinese populace, and so the development of China into the economically dominant country that she is today has been viewed with much pride and nationalistic sentiment. Thus, actions which would challenge the government's authoritarian grip, such as the fight for political freedom, must take a back seat, as they are considered highly likely to destabilize the economy as well. Such a stance is reflected in the works of academics such as Samuel Huntington and Joan Nelson[11] (as cited in Przeworski, 1997), who argue that "political participation must be held down, at least temporarily, in order to promote economic development."

The modernization theory thus makes a highly convincing case for explaining Taiwan's democratization and is not completely incompatible with the realities of China's current authoritarianism. However, "not completely incompatible" is a lukewarm sentiment at best. Sadly, there is no way of concretely confirming the relevance of the modernization theory until a democratic transition occurs, and therein lies one of said theory's biggest problem – it is a model best applied in looking at a nation's democratization *in hindsight*. Contrary to the assertions of its proponents, the modernization theory's predictive power can hold no claim to be better than that of competing theories[12]. In short, the modernization factor is not an ideal basis of comparison for Taiwan and China.

3. International Environment

No country exists in a vacuum; the consequences of the smallest decisions or actions generated through global interactions can affect a country's trajectory dramatically. It is hence impossible to analyze modern-day Taiwan and China

without touching upon the critical role that the international environment has played in impacting their history, especially in the wake of the Chinese Civil War.

3.1. Twist of Fate in International Standing

The defeat of the Nationalist army by the Communists in 1950 had been keenly felt as a blow to the anti-communist portion of the international community. Critics howled that then-US President Harry Truman had failed to provide sufficient support to their Free China allies and as a result, the US was presumed responsible for "losing" China to "the Reds". Such a proportioning of blame had the indirect effect of heightening international sympathy for the KMT regime. Thus, when the KMT fled to Taiwan in 1950, it did so with the consoling knowledge that it still possessed powerful allies which recognized the ROC as the true government of all China and opposed the dominance of the CCP over the mainland.

Many pessimistic predictions were made forecasting Taiwan's eventual fall to the mainland's control. Recognizing the high costs of directly engaging the CCP army in combat, the international community was reluctant to furnish Taiwan with offensive support or directly assist the KMT's quest to recover China. Even so, "there were few spokesmen, even in neutralist countries, who […] advocated turning Taiwan over to the Communists" and thus the international community willingly provided defensive support instead (Walker, 1959). The US, as previously mentioned, proved to be a particularly valuable ally in that it provided both military aid in the form of stationing the US Navy's Seventh Fleet in the Taiwan Strait and economic aid in the form of "Development Loans" to finance new economic projects which must be approved by the US government; "Development Grants" to provide technical assistance against obstacles to economic development; and farm surplus commodities under "Public Law 480" (Chang, 1965). Simultaneously, the US built up a bitter enmity with China, whose switch to communism and involvement in the 1950 Korean War were regarded as personal affronts, while Washington "took a hard line by toughening the US economic embargo against the PRC, […] firming up support for the Nationalist government in Taiwan [and] blocking the PRC's membership in the UN, and further isolating the PRC politically" (Xia, 2008). All this, alongside the problems of the deteriorating Sino-Soviet alliance as well as internal instability in China, served to weaken China's strategic position against that of Taiwan's within the global arena for a time. In short, it would not be amiss to conclude that the KMT's survival in Taiwan subsequent to the Civil War was more an indicator of the tremendous sway Western and US opinion and actions had over international politics than a testament to the KMT's own strength.

As the years passed, however, the international community inevitably realized the unlikelihood of the ROC ever returning to the mainland and re-assuming the status of a world power. Slowly but surely, pragmatism won over idealism, and the balance of power gradually tipped in favour of the PRC. A key character expediting the erosion of Taiwan's international standing was, in an ironic twist of fate, none other than then-President of the US, Richard Nixon. Prior to 1970, Nixon had been appreciated as one of Taipei's favourite American allies, given his past reputation as a formidable "red-baiter". This, however, changed when the Nixon administration enacted a grand plan to restructure the international order via initiating a strategy of triangular diplomacy to create a state of détente between China, the Soviet Union and the US. This strategy achieved its intended sub-goal of normalizing US relations with the PRC, but simultaneously, it effectively sidelined the ROC government and served as a harbinger of the derecognition to come. On 25th October 1971, the United Nations made the momentous decision to "expel forthwith the representatives of Chiang K'ai-shek from the place which they unlawfully occupy at the United Nation" and accepted the PRC as the legitimate government of China (Appleton, 1972).

The significance of this decision cannot be understated. Not only did China gain all the international legitimacy which Taiwan lost, she also secured much more leverage and a better bargaining position than Taiwan could ever have hoped to hold. Owing to the disparities of size and geography between the two regions, Mainland China has always played a more critical role in the annals of world history as compared to Taiwan and, regardless of the international environment, shown that she is a player not to be trifled with. International support for Taiwan involved less potential risk but also less potential reward than international support for China, as may be derived from current conditions – even if the global community had continued to support the former rather than the latter, it is difficult to imagine Taiwan becoming the economic powerhouse and regional leader that China is today.

Thus, with the fateful 1971 verdict, Taiwan was demoted to becoming a political entity in possession of virtually all the trappings of a country, save for the vital last ingredient – formal recognition from other countries. She could only be seen as an object of trade and tourism in the global mind, as "the People's Republic of China (PRC) [...] made it clear that it [did] not object to European business activity in Taiwan if political overtones are excluded" (Drifte, 1985). This was a precariously vulnerable position for any country to have, and it was to Taiwan's credit that their reaction "was not only controlled, but somewhat more receptive than usual to suggestions for internal reform", as Appleton (1972) noted, "Observers on Taiwan when the Nixon trip to Peking and the U.N. China vote were announced reported concern, but no depression,

panic or major demonstrations". Something, however, clearly needed to be done if Taiwan intended to retain her governmental autonomy.

China, in the meantime, has never been under such pressure to democratize. Although she has frequently come under media fire for her consistently violent stance against any form of political dissent within the country, the international repercussions which followed have not as punishing to the China government as they could have been, and certainly resulted in nothing as damaging as the precariously isolated position that Taiwan had found herself in. After the Beijing massacre of 1989, for example, many Organization for Economic Cooperation and Development (OECD) nations had expressed their disapproval of the CCP government's violent actions via imposing economic sanctions which banned the transfer of high technology and governmental loans. These sanctions, however, lasted a paltry two years; by the mid-1990s, most international relations had warmed up to China once more.

3.2. International Factors in the Development of Dissident Movements and Democratization in Taiwan and Mainland China

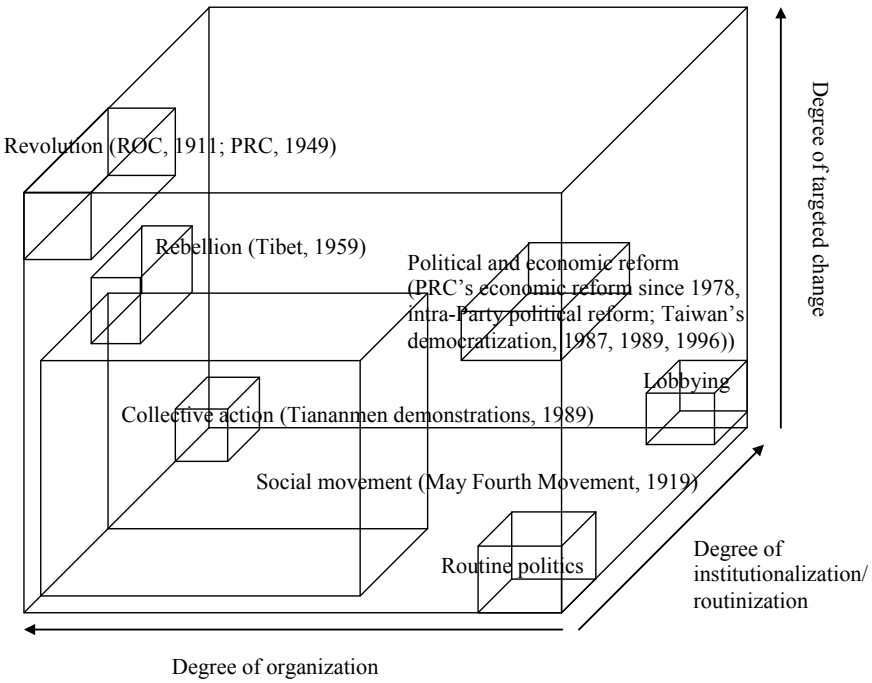
In Taiwan, the establishment of the Democratic Progressive Party on 28th September 1986 in defiance of restrictions imposed by the authoritarian KMT regime represented a watershed in Taiwan's gradually moving from an authoritarian political structure towards today's full-fledged multi-party electoral democratic system. While we have observed earlier that Taiwan's trajectory of democratization seems more or less to vindicate the modernization theory, the obvious delay has sometimes been seen as a puzzle as the socioeconomic prerequisites of democracy that the modernization theory has posited had long already existed by the 1970s, about a decade after the Lei Chen Incident that spelt the end of the first wave of Taiwanese democratization. If we could compare the 1960's "judgment without trial" on General Lei Chen 雷震 (founder of the *Free China* semimonthly with support by Hu Shih 胡適 and other prominent intellectuals of Taiwan, with accusations of rebellion, which was revealed in Hsieh Han-lu's 2002 firsthand exposé as the result of a direct order from then-president Chiang Kai-shek) with the arrest and sentencing of Wei Jingsheng 魏京生 (who put up his manifesto "The Fifth Modernization" – i.e. democracy, in addition to the pursuit of the "Four Modernizations" of China's agricultural, industrial, national defense and science sectors declared by Deng Xiaoping – on the "Democracy Wall") in 1978, bearing in mind Gilley's concept of a time lag referred to earlier, some understanding could probably be gained as regard to the different outcomes that transpired in Taiwan and Mainland China when the "third wave of democracy" (*à la* Huntington, 1991, 1993) struck in the late 1980s.

Complementing his view of ethnicity as a special case of stratification, an analytical perspective concerned with conflict and power (the Weberian approach), Katznelson (1971: 69-70) emphasized the importance of the notion of "critical structural periods" – historical periods when "critical structural decisions" are made. Citing Schattschneider's remark that "organization is the mobilization of bias" (1961: 71), Katznelson noted that critical structural decisions are those that define the "structured relationships" which not only limit but also shape the direction of behavioural choice. In other words, *social time* rather than *historical time*, which can be misleading, is the crucial variable, bearing in mind Levi-Strauss's perception of time not solely in mechanical, cumulative or statistical terms, but also in social terms – deriving its properties from concrete social phenomena (Levi-Strauss, 1967: 281-283).

While at the critical juncture of 1989 as Tiananmen Square's student demonstrations, originally against official corruption and State ineptitude, evolved into the broad-based 100-day pro-democracy movement after being joined in by other demonstrators from all walks of life from Beijing to Hong Kong, from Chengdu to Shenzhen, tragically ended up with a besieged regime finally responding with a massacre to reclaim the capital from the unarmed peaceful protesters on that fateful night of June 3rd-4th, 1989, across the Taiwan Strait democratization was moving apace. Under the new presidency of native Taiwanese Lee Teng-hui who succeeded Chiang Ching-kuo who passed away in January 1988, early in 1989 the passing of the Civil Organizations Law legalizing opposition political parties (and subsequently a lifting of restrictions on campaigning activities) represented a new watershed event since Chiang Ching-kuo lifted martial law and virtually ended authoritarianism in Taiwan on 15th July 1987, and this was followed by the holding of elections in December 1989 with the newly legalized opposition Democratic Progressive Party capturing 31 per cent of the Legislative Yuan.

Developments in subsequent years further accentuated the contrast between Taiwan consolidating its democratization and strengthening its democratic institutions, making it a full-fledged human rights-respecting free society, and Mainland China continued to cruise along with political repression and relentless proscription of political dissent – a stark contrast in trajectory that we have scrutinized from several perspectives earlier in this paper. Free from effective pressure and censure, as shown in the stylized representation in Figure 2, continued proscription of even the slightest manifestation of dissent against the one-party rule has managed to contain societal political action to the routine intra-party politics at the far bottom right-hand corner, despite the sporadic outbursts of people power usually stemming from localized grievances which have always been quickly suppressed. Amidst all this, as a contrast to the case of Taiwanese democratization, individual political

Figure 2 China and Taiwan: Typology of Political Actions



Source: Yeoh (2010: 254), Figure 8, based on Zhao (2008: 767), Figure 26-1.

actors domestic and foreign are playing a central role in giving existence to the obduracy of the system, for the causal powers of systems and structures cannot exist without the mediation through the human agency, as Margaret Archer admitted despite her rejection of the theorem of the duality of agency and structure (Archer, 2003).

However, as the Orwellian extent of suppression against political dissidents and civil rights activists, including the high-profiles cases of Chen Guangcheng 陈光诚, Liu Xiaobo 刘晓波 and Hu Jia 胡佳 and many other less well-known but even more heart-rending cases like the indomitable Li Wangyang 李旺阳[13], continue to position Mainland China in stark contrast against Taiwan's successful democratization, factors that affect the effectiveness of dissident movements are set to deserve due attention.

As we have observed earlier in the paper, Taiwan's particular international circumstances (*vis-à-vis* China's) were significant to its democratic development. The successful democratization of Taiwan has been significantly attributed to the Republic of China's loss of her seat in the United Nations in 1971 – being replaced by the People's Republic of China – followed by her

marginalization in the Senkaku/Tiaoyutai (尖閣諸島/釣魚台列嶼)[14] dispute, and adding insult to injury, the 1979 US derecognition. This sequence of humiliating events has been argued to have triggered an unprecedented, major national crisis[15], though Chu (1992) also brought in the decline in military tension with Mainland China in the late 1970s as a factor given that the said decline has greatly reduced the "siege mentality" of the Taiwanese people and in turn the legitimacy of a continuing authoritarian polity. All these had irreparably weakened the KMT's moral stance in maintaining an authoritarian grip upon the island state. Similar circumstance has occurred in Argentina as result of losing the war with Great Britain over the Falkland Islands (Islas Malvinas).

On the contrary, such circumstances did not materialize in the case of Mainland China, even though for a short moment it looked like a genuine possibility to some international observers in the immediate aftermath of the June 1989 Beijing massacre. While *Asiaweek* in its 16th June 1989 editorial "The Rape of Peking" lamented a Goya-esque landscape[16], the editorial seem today, by hindsight, a gross underestimation of CCP's resiliency and the effectiveness of authoritarian power, given the stark asymmetry in power relations and one-sided monopoly of violence. The reality was: building upon the foundation set by the Hu Yaobang-Zhao Ziyang administration's audacious reformist programmes, Deng Xiaoping moved forward from where his purged former protégés have left by reinvigorating the post-Tiananmen chilling politico-economic milieu through his *nanxun* 南巡 ("southern tour") in 1992, culminating lately in China first superseding Germany to become the world's third largest economy in early 2008, ranked only after the US and Japan, and finally superseding Japan in mid-2010.[17]

While Taiwan's KMT leadership might be under pressure to curry the favour of the international community (Nathan and Ho, 1993), given the abovementioned national crisis the island state was experiencing, circumstances seemed to be the opposite in the case of Mainland China's CCP, which is characterized by "the complicity in [the Chinese repression of dissent] of outsiders from sports organizations and personages and musical and film celebrities anxious to enter the new entertainment market to educational institutions that serve willingly as vehicles for state guided propaganda through the so-called 'Confucius Institutes', and mimic corporations in the joint educational enterprises they establish" in China while above all "are transnational corporations that not only bank their futures on the China market but ideologically condone repression in their enthusiasm for the authoritarian 'China model'." (Dirlik and Prazniak, 2012: 285) Amidst such atmosphere of international acquiescence and appeasement,

> […] criticism of the PRC seems perfunctory when compared to threats of embargoes and wars against comparable dictatorial regimes. Power relations,

> economic interests, and a long standing culturalist fascination with China combine to set China apart from other such regimes. Indeed, there has been an ongoing celebration of the PRC's development under the leadership of the Communist Party that recalls memories of the *Chinoiserie* that took Europe by storm three centuries ago. There are even displays of willingness to complicity with the regime's pursuit of global hegemony, most notoriously through the so-called Confucius Institutes. Not only governments and business but even educational institutions supposedly dedicated to critical inquiry are anxious to court a regime which is by common acknowledgment suspicious of free inquiry beyond its control. Rarely is this contradiction questioned. Business is less than eager to jeopardize its chances in the "China market" in the name of human or political rights. There are suggestions of envy in praises of a "China model" that has "successfully" combined neoliberal economic policies with authoritarian politics and social policy.
>
> (*ibid*.: 290)

A blatant example has to be the exiled blind Chinese civil rights activist Chen Guangcheng's accusation that he is being forced to leave New York University for "as early as last August and September, the Chinese Communists had already begun to apply great, unrelenting pressure on New York University, so much so that after we [i.e. Chen and his wife and son] had been in the United States just three to four months, NYU was already starting to discuss our departure with us."[18] Despite N.Y.U.'s denial of the allegation and its law school's claim that the fellowship as that given to Chen was always to be for one year, it is probably difficult not to link the recent turn of event to the newly opened New York University Shanghai (NYU Shanghai), the first university jointly operated by China and the US, and part of a major initiative the NYU law school calls its Global Network University.[19]

4. Conclusion

Many factors have contributed to the fascinating divergence of the domestic politico-governance trajectories of Taiwan and Mainland China. The unique international relations debacle in the 1970s had placed then-authoritarian KMT in a no-way-out situation, which reinforced and accentuated what Lucian Pye referred to as the "crisis of authoritarianism" (Pye, 1990) leading to a governance crisis of unprecedented proportion with the composite problems of delegitimation of authoritarian rule and the worsening international recognition of the island state's sovereignty. The latter, being inextricable from KMT's insisted legitimate rule over the long-lost Mainland China, had made salvaging what was left in the island state's international support a critical priority, especially that came from the US congress that was still reeling from the political fallout of the Chen Wen-cheng 陳文成 and Henry Liu 劉宜良

(Chiang Nan 江南) murder cases, and rendered the dismantling of political authoritarianism a less unattractive option to pursue and hence strengthened the hands of the reformist-pragmatist faction within the ruling regime. On the contrary, probably other than a very brief moment immediately after the 1989 Beijing massacre, the ruling CCP regime of Mainland China had not been placed on the horns of such a dilemma. The path towards a multi-party competitive electoral liberal democracy as envisaged by many has seemed increasingly forlorn as the CCP regime in the post-June Fourth era admirably led the country to economic miracle and hence, in the eyes of many, has successfully reasserted its legitimacy.[20] Describing China as "doubtless a post-totalitarian regime ruled by a ruthless Party", Jean-Philippe Béja ruminated in 2009 on the 20th anniversary of the Beijing massacre:

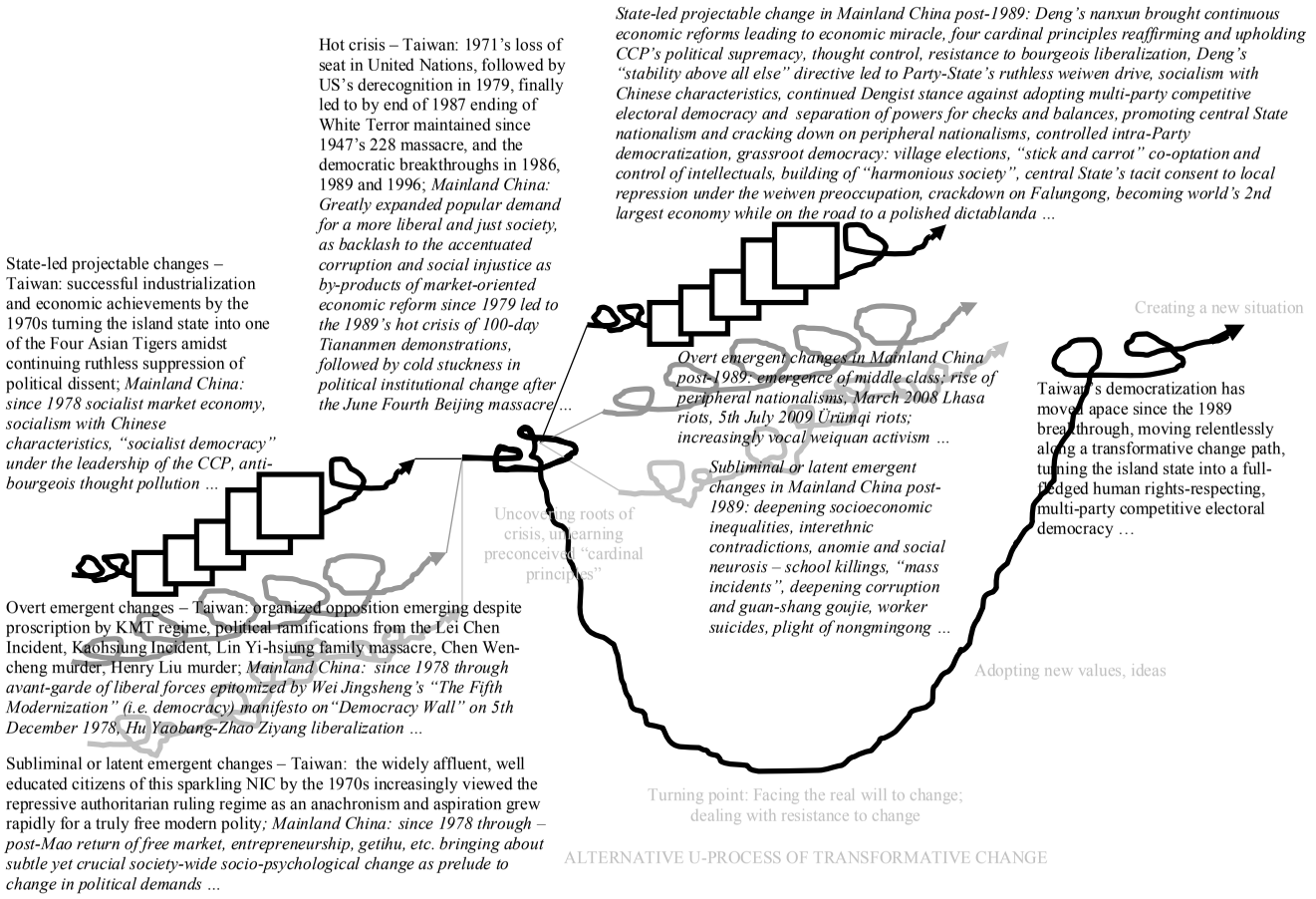
> Twenty years after the 4 June 1989 massacre, the CCP seems to have reinforced its legitimacy. It has not followed the communist regimes of the Soviet bloc into oblivion. Its policies of elite cooptation, subtle response to social contradictions, and instrumental support for the "rule of law" have become major complements to its continued control over the press and the political system. It has made concessions to prevent discontent from crystallizing into social movements that might challenge its rule, and it has sent in the police to silence dissidents. Over the course of the same two decades, the opposition has had to wrestle with the trauma of the June 4 Massacre and the huge difficulties that it has raised for anyone who would challenge the CCP's primacy.
>
> Béja (2009: 14-15)

Riding on the accolades of high prosperity, and with the carrot-and-stick approach to maintain its survival, the once-brutal-dictatorship-turned-benevolent-*dictablanda* (*à la* O'Donnell and Schmitter, 1986) has managed to preserve the *status quo* of its own rule as well as the interests of the "other power-holders" (Stinchcombe, 1968: 150) domestic and abroad by both selling the credit it claimed on behalf the industrious, enterprising and persevering masses as well as extracting the support of these "other power-holders" who are willing to abdicate their claims and principles in exchange for other kinds of protection and advantages by the ensuing strong State run by the present regime (Stepan, 1985), in a *faute de mieux* deal much akin to Karl Marx's description of the Bonapartist regime in *The Eighteenth Brumaire of Louis Napoleon* (1852). Marx's classic analysis of Bonapartism as a basis of State autonomy rests mainly in the sharing of common interests between the State and the dominant group, which extending into the international context in the case of contemporary China, between the ruling CCP regime and the dominant social élite and groups and the international community – which played such an important role in exerting pressure on the KMT

regime in the 1970s-80s in bringing about Taiwan's democratic breakthrough – whose inability to overcome not only the present Mainland Chinese State's monopoly of violence to force a regime change but tacit condoning of political repression in their enthusiasm for the authoritarian "China model" and the lucrative China market (Dirlik and Prazniak, 2012: 285) has given the Party-State the opportunity to use the leverage gained both to preserve the *status quo* and to propound its claim as the protector of stability and prosperity in exchange for the acceptance of its legitimacy, for even when "a government's use of force imposes a large cost, some people may well decide that the government's other services outbalance the costs of acceding to its monopoly of violence" (Tilly, 1985: 172). On this note, the present paper ends with a stylized presentation in Figure 3, juxtaposing Taiwan's political institutional change – from her authoritarian regime amidst miraculous economic *tour de force*, through the years of the Lei Chen Incident (1960), Kaohsiung/Formosa Incident (高雄/美麗島事件, 1979), Lin Yi-hsiung 林義雄 family massacre (林宅血案, 1980), the scandalous cases of Chen Wen-cheng's and Henry Liu's murder (1981/1984), to the national crisis of losing her seat at the United Nations (1971), followed by US's derecognition (1979), and finally the ending of White Terror (long maintained since the 228 massacre in 1947) by the end of 1987 and the democratic breakthroughs in 1986, 1989 and 1996 – with that of Mainland China which markedly avoided a transformative change at the critical juncture of the hot crisis of the 1989 Tiananmen demonstrations and chose a path to overcome the crisis with a massacre and continue to maintain her authoritarian one-party governance model supported by continuing relentless suppression of political dissent.

Based on the schema of Reeler's threefold theory of social change (Reeler, 2007), wherein beneath the projectable changes which "through projects, tend to succeed where problems, needs and possibilities are more visible, under relatively stable conditions and relationships, which are not fraught with crisis or stuckness" (*ibid*.: 13) lurk the overt and subliminal or latent emergent changes (Reeler's more and less conscious varieties of emergent changes) that represent "the day-to-day unfolding of life, adaptive and uneven processes of unconscious and conscious learning from experience and the change that results from that [which] applies to individuals, families, communities, organisations and societies adjusting to shifting realities" (*ibid*.: 9), Figure 3 shows that one does not need to look too far back in contemporary Chinese history to see how a crisis of mammoth proportions could bring a nation to a bifurcation into wholesale transformative change and its antithesis in the form of a protracted cold stuckness. Transformative change, unlike emergent change that is characterized as a learning process, involves instead unlearning, a liberation "from those relationships and identities, inner and outer, which underpin the crisis and hold back resolution

Figure 3 Taiwan and Mainland China's Political Institutional Change since 1970s: Institutions, Agents and Events



Source: Based on Yeoh (2012: 424), Figure 1. Schema from Reeler's threefold theory of social change (Reeler, 2007).

and further healthy development" (*ibid*.: 11-12). On the contrary, a cold stuckness, under a façade of economic prosperity and social harmony, could continue to hide the real need for change which in turn when revealed could provoke even stronger resistance to a real transformative change as the latter requires the unlearning of entrenched ideas and values in making way for the acceptance of new ones. It is a difficult choice as a crisis and stuckness of this nature tend to involve deep and complex histories and dynamics and represent the product of "tense or contradictory relationships […] prompted by shifts in external political, economic, cultural or environmental contexts" (*ibid*.). A particular choice at the moment of crisis could thus lead to protracted cold stuckness instead of a U-process of transformative change – CCP's holding on to one-party authoritarianism *vis-à-vis* KMT's daring plunge into "best-case" democratization (Rigger, 2004)) – thus heightening internal social contradictions leading to deteriorating sociopolitical and sociocultural anomie and neurosis resulted from the contradictions engendered by the interplay of State-led projected change and the suppressed but unstoppable overt and subliminal emergent changes.

Mainland China has come a long way, difficult and laudable, culminating in the country claiming to have superseded Japan to become the world's second largest economy. Going back to the critical juncture of 1989, that year's student movement which snowballed into social protests of unprecedented scale is in many ways a return of May Fourth. While May Fourth of 1919 had eventually led to the triumph of Maoism-Leninism which in a way hijacked the early socialism of Ch'en Tu-hsiu 陳獨秀 (Chen Duxiu), the Beijing tragedy of 1989 – the same year of a democratic breakthrough on the island state across the Taiwan Strait – represented a prelude to the subsequent hijacking of the Hu Yaobang-Zhao Ziyang administration's initiative for politico-economic liberalization by the strengthening one-party authoritarian State corporatism preferred by Deng Xiaoping who once and again felt wary of and threatened by his protégés' "bourgeois liberalization". The conservative backlash has since complicated the uneasy coexistence of a highly decentralized economic structure brought through the no-holds-barred market economic reform with a highly centralized illiberal political regime or a proto-*dictablanda*. "Left alone, crises do get unconsciously resolved over time, tragically or happily or somewhere in-between", observed Reeler (2007: 12), "But they can also be more consciously and proactively resolved through well led or facilitated transformative change processes." The resolution of Mainland China's 1989 crisis in a tragedy and the purge of the political reformists in a way shut down the transformative change wing of the bifurcation facing the CCP at that time and led to the protracted cold stuckness in sociopolitical modernization and its uneasy coexistence with accelerated market reform that brought national economic prosperity. Given

the comparisons and contrasts between Taiwan and Mainland China that have been discussed in this paper with regard to domestic and external factors that affect the timeline of democratization, using Taiwan's unique experience to project Mainland China's democratic transition could be impractical. And yet, the long-term effect of overt and subliminal emergent changes – small accumulative changes at the margins which "can affect each other in barely noticeable ways and add up to significant systemic patterns and changes over time" (Reeler, 2007: 9-10) that tend to confound the State's best-laid plans – should never be overlooked, whether these should involve a seemingly forlorn effort at organizing an effective opposition (Lei Chen; Xie Changfa 谢长发) or a murder or suspicious death (Chen Wen-cheng; Li Wangyang) or whether the often heart-rending individual tragedies resulted from State oppression and injustice could soon serve as a galvanizing factor for democratization, as the concrete results from the rippling effects of such emergent changes might take time to actualize, and such changes are by nature "paradoxical, where perceptions, feelings and intentions are as powerful as the facts they engage with" (*ibid*.).

Notes

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1. Here referring to the People's Republic of China (中华人民共和国).
2. Or officially the "Communist Party of China" (CPC, 中国共产党).
3. Or officially the "Kuomintang of China" (中國國民黨).
4. It must be noted that Taiwan's democratization does not signify an "end of history" for that particular nation; there is still much speculation about her future political trajectory. Some, for example, worry about her alleged growing democratic reversal – interested readers may refer to Dafydd J. Fell's "Taiwan's Democracy: Towards a Liberal Democracy or Authoritarianism" (2010) for an example of this discussion.
5. The Taiwanese were subjected to multiple restrictions under Japanese rule. For example, they were granted less protection under the law as compared to the Japanese; nor were they given electoral rights. The job opportunities available for local workers were more limited; they also received a lower salary than that of Japanese workers for doing the same job. The yields from the increase in Taiwan's agricultural productivity were mostly exported to Japan. Aspects of contemporary Chinese culture were heavily suppressed; opium, foot-binding and the queue hairstyle was prohibited. Access to secondary education was limited; education focusing upon the cultivation of loyal subjects to Japan was prioritized. (Lee, 2010)
6. It must be noted that only partial, not full democratization had been attained, and so overcoming the lingering limits to KMT tolerance of opposition was still a work-in-progress. The DPP, for example, was founded in 1986 and allowed to compete in elections, but remained technically illegal until the enactment of the Law on Civic Organizations in January 1989 (Copper, 2010).
7. There exists a line of academic approach, however, which views the KMT rule in China in a more sympathetic light and argues that the 1928-1937 Nanjing Decade period enjoyed relatively progressive economic reform (McCord, 2012).
8. "Beijing" (北京) or "Beijing-Tiananmen" is a more appropriate appellation for the massacre than just "Tiananmen" (天安门), as most civilian casualties occurred not in the Tiananmen Square but on Beijing streets leading to the square, especially Chang'an Avenue (长安街), when the People's Liberation Army clashed with Beijing residents and workers trying to protect the student demonstrators in Tiananmen Square during that fateful night of 3rd-4th June 1989.
9. The CCP, however, appears to utilize methods for measuring legitimacy which are dissimilar to those used by academics such as Bruce Gilley, as they focus more upon the formation of nodes of legitimacy crisis (Gilley, 2010). By the standards of their measurements, the CCP's legitimacy is, contrary to academic

opinion, relatively low and brittle. Due to problems such as the high potential for preference falsification and the impossibility of measuring a nation's revolutionary threshold, however, it is unfortunately somewhat difficult to judge whose interpretation is more relevant for predicting China's future trajectory. (For further analysis upon the aforementioned concepts, please refer to Timur Kuran's 1991 article, "Now Out of Never: The Element of Surprise in the East European Revolution of 1989".)

10. Note that the positive link between modernization and authoritarianism does not exclusively apply to the case of China; before Taiwan's shift to democracy, her leaders had also taken steps to use modernization to maintain their power in those changing times. In 1969, then-President Chiang Kai-Shek had appointed his son, then-Vice-Premier Chiang Ching-kuo, to the seat of chairman in the important economic planning agency of the Council for International Economic Cooperation and Development (CIECD). This move was apparently meant to identify Chiang Ching-kuo with Taiwan's "economic miracle", for with this appointment, Chiang Ching-kuo would preside over "the Governor of the Central Bank, the ministers of Finance, Economic Affairs, Communications, and others concerned with fiscal affair" (Plummer, 1970: 20). Furthermore, after Chiang Ching-kuo assumed the throne in the wake of his father's demise, his governmental reforms, while beneficial to the economy and transition to democracy, had the added advantage of maintaining popular support for the KMT, as the party was, in this fashion, associated with the favourable changes sweeping over the country. However, for Taiwan, modernization eventually weakened the KMT's authoritarianism more than it strengthened it, and so less attention has been paid to these details.
11. Samuel P. Huntington and Joan M. Nelson, *No Easy Choice: Political Participation in Developing Countries*, Cambridge, MA: Harvard University Press, 1976, p. 23.
12. This is not to say that academics should not continue attempting to make predictions based on these theories. For a thoughtful article on this subject, please refer to Bruce Gilley's "Should We Try to Predict Transitions to Democracy? Lessons for China" (2005).
13. Li died in 2012 under suspicious circumstances after enduring long years of beating and torture in jail since being arrested on 9th June 1989 immediately after the Beijing massacre and jailed for 13 years for "anti-revolutionary propaganda and instigation" and released on 8th June 2000 blind and deaf and in extremely poor health, but was soon jailed again in 2001 for 10 years for "subverting government institution" and under continued surveillance upon release in May 2011.
14. The Pinnacle Islands – a group of uninhabited islands currently controlled by Japan who calls them the Senkaku Islands 尖閣諸島, a part of Okinawa prefecture 沖縄県, but claimed by both the governments of the Republic of China and the People's Republic of China as the Tiaoyutai/Diaoyutai Islands 釣魚台列嶼/钓鱼台群岛, part of the Taiwan province. The largest island of the group is the Uotsuri Jima 魚釣島 / Diaoyu Dao 釣魚島.
15. Jacobs (1973), Tien (1989), Chu (1992), Chao and Myers (1998) and Roy (2003), summarized in Ooi (2009).

16. "Not only is Peking a nightmare streetscape awash in atrocity and anguish; the nation at large has become a haunted land. This howling, lurching mega-ghost is the Chinese Communist Party. In one staggeringly brutal stroke, it shot itself through the heart. It will not recover. A regime that professes itself to be the distillation of popular will has turned on the Chinese people, committing the ultimate sacrilege of eating its own children. Hundreds of China's brightest, most idealistic sons and daughters, their movement commanding wide public sympathy, were nakedly sacrificed to the cause of preserving an élite." (*Asiaweek*, 16th June 1989, p. 16)
17. According to a report published on China's National Bureau of Statistics website on 14th January 2009, the confirmed 2007 GDP of China at current prices amounted to 25.7306 trillion yuan, an increase of 13 per cent from the previous year (*Oriental Daily News* (Malaysia), 16th January 2009). While observed to be still short of a third of US's GDP, analysts had predicted China's GDP to overtake Japan's in three to four years, just as it overtook the United Kingdom and France in 2005 and Germany in 2008. Nevertheless, according to an announcement by Yi Gang 易纲, the director of the State Administration of Foreign Exchange and the deputy governor of China's central bank, the People's Bank of China, on 30th July 2010, China had already superseded Japan to become the world's second largest economy in 2010. However, in terms of GDP per capita, Japan's (US$37800) was more than 10 times that of China (US$3600) in year 2009, and Japan's GDP per capita ranking, while having dropped from world's number 2 in 1993 to number 23 by 2008, was still far ahead of China's which ranked beyond 100 (*ODN*, 9th August 2010).
18. Quoted in "N.Y.U., china, and Chen Guangcheng", Letter from China – Dispatches from Evan Osnos, *The New Yorker*, 17th June 2013.
19. *Ibid*.
20. See, e.g. Bo (2010). In an interesting attempt at refutation of Minxin Pei's (2006) claim of CCP's illegitimacy, Bo set out to repudiate point by point Pei's arguments which were based upon a series of international indexes which the former listed in details: "China is one of the most authoritarian political systems in the world according to the Polity IV Project, is almost completely 'unfree' according to the Freedom House; and is one of the most corrupt countries according to Transparency International. China was ranked in the bottom third of the eighty countries surveyed in terms of 'quality of governance ranking' according to one group of the World Bank and was considered a weak state according to another group of the World Bank. China found itself next to the legion of failed states and most repressive countries in terms of 'voice and accountability' and also in the company of weak states such as Nicaragua, Cambodia, Papua New Guinea, Egypt, and Mali in terms of 'regulatory quality'. China was no better than Namibia, Croatia, Kuwait, and Mexico in terms of 'government effectiveness', was comparable to Belarus, Mexico, Tunisia, and Cuba in terms of 'political stability', and was in the company of Mexico, Madagascar, and Lebanon in terms of 'rule of law'." (Bo, 2010: 102-103, citing Pei, 2006: 5-6)

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Book Review

Yan Xuetong, *Ancient Chinese Thought, Modern Chinese Power*, edited by Daniel A. Bell and Sun Zhe, translated by Edmund Ryden, Princeton: Princeton University Press, 2011, 300 pp.

Yan Xuetong's piece of scholarship sheds light on China's ancient pre-Qin thinkers and makes interesting contributions to international relations theory. Not only does Yan's study make an in-depth inquiry into the pre-Qin thinkers' view on interstate relations, hegemony and global governance, he also allows for criticism and comments on his work by other scholars to be included. This enriches the book and gives it a broader scope. In the concluding section, the book responds to the commentators as well as provides a final interview that brings the reader closer to Yan through his life story.

The aim of the study is to dissect the international political philosophy of the pre-Qin thinkers in order to enhance contemporary IR-theory and to analyze the implications for China's rise. The essential line of thinking that unites the various pre-Qin thinkers and their different strands of thought is that political leadership is at the core of international relations and that morality is an integral part of that political leadership. Economic strength and military power are indeed necessary and important to understand great power relations and hegemony, yet they are secondary to the actor-centric core of the pre-Qin line of thinking. Below I discuss the insights of the study within four particular areas.

First, the philosophy of the pre-Qin masters was policy-oriented, aimed at giving advice to the feudal rulers in the later Spring and Autumn period and the following Warring States period. This is intimately connected to Yan's aspiration to do the same for present-day Chinese leaders, which connects to a view of political science where the *science* component functions to discipline the *political*. Yet much policy advice is circling around, and some recommendations will serve for guidance while others will get discarded in keeping with the purpose of the leaders. This reality stifles Yan's desire to produce objective policy advice through the scientific study of politics. Although convinced that objective policy advice is attainable, Yan's own inquiry reveals the shortcomings of objectivity by revealing historical examples where the ancient feudal rulers did not listen to the recommendations of the pre-Qin masters, thus shedding light on the limitation of intellectuals and scholars in shaping policy. The fruitless effort of the vast coalition of renowned American

professors opposing the second Iraq war presents an interesting analogy. Of course, this does not suggest that scholars should not strive to make policy advice, but to believe that it exists in an ideological and purposive vacuum is incorrect.

Second, out of curiosity and in line with the aim of letting pre-Qin thought inspire contemporary Chinese policy, it would be interesting to hear Yan's perspective on how the pre-Qin view regarding the necessity of class distinction to uphold order can be reconciled with a ruling Communist Party that formally should work towards establishing a classless society, or at least a moderately well-off, socialist, and harmonious society. According to pre-Qin thought, in a society without class distinctions people would fight over everything, standing in stark contrast to Marxist understandings of class conflict and being intrinsically incompatible with the pre-Qin notion of a hierarchical harmonious society.

Third, consistent with the actor-centric approach of the pre-Qin thinkers, Yan regards the competition for talent as not just a feature of the knowledge economy but as the essence of competition between great powers: from the king having the most excellent ministers, and the ministries having skilled bureaucrats. This is an interesting part of Yan's line of thinking with concrete impact on policy, exemplified by the Chinese government's 1000 Talents Plan designed to recruit strategic scientists and leading experts. Finding talents to ensure the rise of great powers requires a high degree of openness, which Yan relates to the hegemonic status of the United States (US) and the fact that it attracts talented and outstanding foreigners. Yet in terms of openness China is still far from the US and research shows that the 1000 Talents Plan is not yet attracting the very best and the returnees are mostly not permanent. However, the focus on competition for talent makes an original contribution to the dynamics of great power relations, which, according to Yan, will become the core dimension of Sino-US rivalry after China has reached a certain baseline for economic and military hard power. He stresses that it is important to keep officials responsible and effective and speedy removal of top officials as well as strategic selection of officials based on performance requirements should be allowed to help reducing erroneous policy-making.

Fourth, another interesting aspect that is brought to the fore by the book is regarding the views of the pre-Qin thinkers on power shifts and hegemony. It is generally believed that international power shifts are explained more by political power and ideas than material wealth and military might. For instance, Mencius puts strong emphasis on morality while downplaying the importance of power, while Xunzi recognizes the twin importance of both. Yet both differentiate between hegemonic authority and humane authority, where the former relies on power alone and the latter uses its power to implement benevolent rule and takes the lead in implementing and upholding

international norms through morally informed political leadership. Yan uses American unilateralism during the Bush regime to exemplify hegemony and stresses that the goal of China's strategy should not only be to reduce its power gap to the US but also to establish a better model for the international system than the one given by the US. To revise the US-led model of the international system China should act like a humane authority and the Chinese government should not assume that more economic power translates into power to shape international norms. Although Yan stresses that China needs to shift its heavy focus on economic development, the launch of new concepts under Xi Jinping's leadership (the new model of great power relations, the Chinese dream, etc.) can be said to depict the influence of pre-Qin thinkers such as Laozi, Mozi, Confucius and Mencius and their emphasis on the primacy of concepts and ideas. Moreover, the notion of humane authority and Xunzi's views on just war carry interesting insights into a potential future with a more globally active China. According to Xunzi, just wars should uproot evil and the armies of the benevolent circulate under heaven, which can be related to China's development of its navy and a possible future where Chinese aircraft carriers will circulate the seas around the globe. Ultimately opening up for what some scholars have called harmonious intervention and a more relaxed interpretation of China's traditional non-intervention policy where China puts down inhumanity and stops violence around the globe. Thus shedding a different light on China's involvement in Mali and its willingness to send combat troops for the first time within a United Nations mission; in essence echoing E.H. Carr: realism and morality are different sides of the same coin. And here is where the greatest strength of *Ancient Chinese Thought, Modern Chinese Power* lies; that it offers in-depth insights into the thought of the pre-Qin masters that stimulates thinking on how it might influence China's foreign policy and its future trajectory.

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