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The East Asia Trinity China, the United States and Taiwan



**Will America's Hot New Courtship of China
Leave Taiwan in the Cold?**

Will America's Hot New Courtship of China Leave Taiwan in the Cold?

by
Adonis Hoffman

Not a day goes by without a glowing report on the new bond between China and the United States. From panda bears to people-to-people exchanges and more, America's hot new courtship of China is in full bloom, and President Obama is leading the charm offensive. As the BBC suggests, "almost everyone is animated by the idea that we are witnessing an historic shift."

Before, during, and after the heralded visit of Chinese President Hu Jintao, the U.S. was abuzz about China. In fairness, much of this is owed to China's own progress -- or liberalization -- in economic, cultural and trade affairs. To be sure, today's China is not the same country Presidents Nixon, Carter, Reagan, Bush, Clinton or Bush II encountered. China today is a much more benign behemoth. It is far less menacing and mysterious. It is a land of boundless aspiration and energy, as evidenced by the 2008 Beijing Olympics, where showmanship was eclipsed by scale. But those descriptions only go so far. While there are many words apt for the new China, "democratic" is not one of them.

Amidst the fanfare, Taiwan--one of the most critical issues in U.S. - China relations--has received remarkably little attention. Yet, since 1949, America has not had a more reliable or stable economic partner in Asia. Taiwan is an unwavering bastion of Western-style democracy. As such, it presents an enigmatic policy decision for Obama, as it has for his predecessors. The

President must preserve the "one China policy" which means formal recognition of the mainland, while relegating U.S. contacts with Taiwan to the "unofficial" category, as required by the spirit of the Taiwan Relations Act enacted in 1979.

But balancing two Chinas is no small feat of policy or diplomacy, and it will become more, not less, challenging in the future.

On the one hand is the Peoples Republic. With a youthful population exceeding 1.3 billion people, and the world's largest army, China cannot be ignored. Because its citizens yearn for Western accoutrements long denied, it is the mother lode of markets for American products. Money is being made, consumerism is on the rise, and the future looks bright for any company that can crack the Confucian code to doing business there profitably.

According to a recent Pew study, nearly half of all Americans say Asia is more important to U.S. interests than any other region, including Europe. 47% say China is the world's leading economic power, and 58 % believe it is very important for the U.S. to build a stronger relationship with China.

On the other hand is Taiwan, a small nation of 23 million people, also known as the Republic of China. A model of multiparty democracy and free market capitalism, Taiwan's rapid economic growth in the decades after World War II transformed it into a developed industrialized

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country and one of the Four Asian Tigers. Its economic rise has been hailed as the "Taiwan Miracle," and the IMF and World Bank categorize it as an advanced, high-end economy. Through its sophisticated technology sector, led by consumer electronics, Taiwan plays a major role in today's global economy. It ranks 25th on the Heritage Foundation's 2011 Index of Economic Freedom, above Norway, Spain, Belgium and South Korea, as compared with China's much lower ranking of 135.

In Taiwan, a free press and free elections thrive. In China, by contrast, government censorship reigns supreme--both online and offline, and there are no elections. According to the International Federation of Journalists, media coverage of such issues as domestic politics, public health, corruption, internet freedom, and developments in Korea, Vietnam and the Philippines require a government review or are restricted altogether. China has been quick to crack down on any semblance of protest taking cues from the popular uprisings in the Middle East today.

China considers Taiwan to be a breakaway province subject to its sovereign jurisdiction. Taiwan sees itself as a free and independent nation. This divergence has led to Chinese saber rattling across the Straits of Taiwan, and has prompted the Taiwanese to spend billions on advanced U.S. weaponry for self-defense.

In the comprehensive, forty-one paragraph, U.S. - China Joint Statement issued during the Hu visit, there was short shrift given to Taiwan. Both sides "underscored the importance of the Taiwan issue." China emphasized "the Taiwan issue concerns China's sovereignty and territorial integrity," and expressed hope that the U.S. will honor its relevant commitments. The U.S. reiterated its support for a "one China policy" and encouraged the two Chinas to continue their dialogue. Beyond that, not much more was said about the country.

Thus, the road ahead for U.S. - China relations is clear. America wants to balance the huge trade deficit it has with the Peoples Republic of China. The U.S. exports \$82 billion to China, but China exports \$344 billion to the U.S., and holds much of America's official debt.

The two countries admit there are differences over human rights, but agree to continue a dialogue on the issue. They agreed to establish military-to-military talks, and to cooperate on space exploration, law enforcement, the rule of law, science and technology, climate control, and the exchange of 100,000 American and Chinese students. With plans to institutionalize exchanges between the National People's Congress of China and the U.S. Congress; to cooperate on global issues involving nuclear weapons, North Korea, the future of Sudan and intellectual property rights, and to expedite the pace and frequency of more dialogue, Obama and Hu Jintao have authored a new chapter in Sino - American relations.

But beware of change.

Several experts predict it will be impossible to relegate Taiwan to the margins of the U.S. - China narrative much longer. In his earnest effort to be on the right side of history, President Obama should find a way to match America's deepening dependence on China with more tacit assurances for Taiwan. Anything less would be anathema to America's long-term interests in the Asia Pacific region and would dishonor the U.S. commitment to promote democracy abroad.

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Adonis Hoffman is an international lawyer, adjunct professor at Georgetown, and chairman of the American Business Leadership Institute. He is a former counsel to the House Foreign Affairs Committee and Senior Associate at the Carnegie Endowment for International Peace. Hoffman is the author of *Doing Good--the New Rules of Corporate Responsibility, Conscience and Character*. Send comments to author at www.adonishoffman.com.