The Role of Democracy in Cross-Strait Relations:
Edward Friedman’s Indefatigable Insights

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Democracies don’t attack each other.... Ultimately the best strategy to insure our security and to build a durable peace is to support the advance of democracy elsewhere. (President Bill Clinton, State of the Union Address, 1994)

This does not...imply the end of international conflict per se.... Conflict between states still in history, and between those states and those at the end of history, would still be possible. (Francis Fukuyama, “The End of History”).

Ed Friedman understands the importance of the heart and the soul in politics. For example, his writings on nationalism, identity, and democracy show how ideational factors can sometimes more decisively shape elite choices and international relations than material forces.

This essay is inspired by the book he and Barrett McCormick edited which asks a provocative but crucial question: What if China doesn’t democratize? I argue that democracy plays a critical role in Taiwan’s future and the future of cross-strait relations. Democracy matters because it defines Taiwan’s identity and entails profound implications for Taiwan’s security. It also reveals the gaps in China’s approach to national unity.

Democracy complicates cross-strait relations but also makes a peaceful long-term modus vivendi between China and Taiwan more probable. Let me explain.

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First, democracy undermines a national unity approach based on ethnic nationalism. From 1949 until the mid-1980s, especially during the Chiang Kai-shek era, the Nationalists essentially built Taiwan into a model Chinese province in preparation for the eventual reunification. Externally this ethno-nationalistic approach enabled the Republic of China (ROC) to vie for legitimacy vis-à-vis the People’s Republic of China (PRC), since the two sides belonged to the same Chinese nation; the struggle was over who truly represented this nation. Internally this ethno-nationalistic approach enabled the KMT to promote sinification (molding the native Taiwanese into Chinese) and maintain an authoritarian political system that was initially dominated by the mainlanders but gradually co-opted local elites.

As a result of decades of de facto independence and democratization beginning in the mid-1980s, culminating in the first and second native Taiwanese presidents (Lee Teng-hui and Chen Shui-bian) and the Democratic Progressive Party’s ascent to power in 2000, the Chinese ethnic-nationalism project was over. There has been a sea change in the national identity of the people in Taiwan (see Table 1).

Table 1: Evolving National Identity in Taiwan

<table>
<thead>
<tr>
<th>Select dates</th>
<th>Taiwanese</th>
<th>Both Taiwanese and Chinese</th>
<th>Chinese</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun 1992</td>
<td>17.3</td>
<td>45.4</td>
<td>26.2</td>
</tr>
<tr>
<td>June 2000</td>
<td>36.9</td>
<td>43.8</td>
<td>13.1</td>
</tr>
<tr>
<td>June 2008</td>
<td>46.1</td>
<td>45.4</td>
<td>3.4</td>
</tr>
<tr>
<td>June 2009</td>
<td>52.1</td>
<td>39.2</td>
<td>4.3</td>
</tr>
</tbody>
</table>

Source: National Chengchi University Election Study Center, http://esc.nccu.edu.tw/eng/data/data03-2.htm

Longitudinal data show the big increase of Taiwanese identity (now the majority) and the precipitous decline of Chinese identity (now a distinct minority). The dual identity used to be the modal category but now is eclipsed by Taiwanese identity.

Under the DPP, democracy had been coupled with a “conscious nation-building project,” whereas a more exclusionary Taiwanese ethnic nationalism contended with a more inclusive civic nationalism approach.

Externally, the consequences of democratization meant that the PRC’s rationale for unifying Taiwan based on (Chinese) ethnic nationalism was undermined. Democracy thus complicated cross-strait relations by deflating the ethno-national link.

Second, democracy in Taiwan complicated cross-strait relations by introducing more players. When Taiwan was ruled by the KMT, a party associated with Chinese identity and nominally committed to unification with the mainland, national unity might have been consummated by a deal between the KMT and the CCP. Indeed, since on the mainland the CCP equated the PRC, the Chinese side had preferred party-to-party negotiation.

However, democracy in Taiwan produced a ruling party that represented Taiwanese identity and promoted Taiwan’s de jure independence from China – the DPP. As a result of political liberalization, various social voices openly discussed a broader range of alternatives for Taiwan’s future (including separation). Democracy called for the people to have the right to decide their own political future. The CCP thus could no longer hope to accomplish its goal of national unity by engaging only one actor.

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Third, democracy has altered the *inter-subjective identities* of Taiwan and PRC elites. The 1996 Taiwan Strait Crisis illustrates this point. Taiwan’s democratization (along with its external dimension: self-determination) was seen as the *enemy* of Chinese nationalism. And yet China’s forceful expression of nationalism -- saber-rattling during Taiwan’s first-ever democratic presidential election -- was seen as the *threat* of Taiwanese democracy. Because democracy has widened the political gap between the two sides, it has altered the identities of the elites on both sides and their identities of the other side. Chinese nationalism and Taiwanese democracy collided. A vicious cycle ensued: The more the Taiwanese wanted to assert their democracy (e.g., clarify sovereignty or seek greater international recognition), the more the Chinese resorted to military intimidation, diplomatic strangulation, political division, and economic absorption in order to reign in Taiwan. But the more the Chinese behaved high-handed, the more the Taiwanese felt frustrated and humiliated and solidified their disillusionment of the Chinese. A “we versus they” distinction thus emerged, which contributed to the formation of an “imagined community” threatened by the PRC.

Fourth, democracy arguably in the long-run *enhances* Taiwan’s security, although in the short-run some aspects, such as the quest for *de jure* independence, may *weaken* Taiwan’s security by provoking a Chinese attack. Taking the democratic peace at its face value, the theory has several implications for Taiwan: (1) Continued democratization will bode well for Taiwan as a new member of the elite club of democracies; (2) as a member, Taiwan can expect more respect and friendly relationships from the most important countries in the world, namely, industrial
democracies; (3) trade, human rights, and shared democratic values will increase these leading nations’ stake on Taiwan; and (4) it is therefore to speculate that in the event of Chinese aggression against Taiwan, those nations will be more likely to intervene on behalf of Taiwan as a democratic state than as an inconsequential province of an authoritarian state. All these suggest democracy could enhance Taiwan’s security.  

However, the above analysis must also be qualified by two factors – China’s growing power and stature, which may make other countries more reluctant to oppose China over Taiwan, and especially if they determine that it is Taiwan that provokes China into using force. Regardless, a more secure Taiwan serious in shoring up its de facto independence is less likely to accept unification on Beijing’s term, thus Taiwan’s presumably enhanced security as a result of its democratization also complicates cross-strait relations.

In sum, democracy has discredited the PRC’s ethno-nationalist (i.e., primordial and thus “non-negotiable”) argument for unification, brought in more stakeholders who want to have a final say on their future, accentuated the political gaps between the two sides of the Taiwan Strait, and arguably enhanced Taiwan’s security. It has shattered the previous bases of political legitimacy in Taiwan and China-Taiwan relations.

Democracy also holds the key to the future of cross-strait relations. In fact, it could be a key to the resolution of the fundamental stalemate shaped by rising Chinese

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nationalism and deepening Taiwanese democracy.

Aside a *de jure* independence for Taiwan, political arrangements between China and Taiwan can still choose from a wide spectrum of existent or constructed possibilities. These options include, but are not limited to, a British-style commonwealth, a European Union-style of confederation, a U.S.-style of federation, a British-style of devolution under a unitary state, and the PRC’s “one country, two systems.” Not all of these formulas are equally promising, and the final contours of cross-strait relations may well defy any of these “idealtypes.”

A **commonwealth**, such as the British Commonwealth or the Commonwealth of Independent States, is objectionable to Beijing, as it would imply a *loose* coordinating entity made up of *sovereign states* that were *previously* parts of China. Beijing views this as implying the finality of China’s division and Taiwan’s sovereign status. The only solace is loose political association with Taiwan based on historical and cultural legacy.

A **confederation** is an association in which states delegate some power to a supranational central government but retain primary power. Confederations can serve many useful functions for member states, but their effectiveness is contingent upon the support of the members. In the Chinese case, confederation has been suggested as the most likely and desirable solution for the cross-strait relationship. Is it?

To answer this question, I will develop a simple game-theoretical model to examine the various scenarios of Taiwan’s future status vis-à-vis China (see Figure 1).

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The distinctive contribution of this model is that it underscores the importance of China’s democratization for Taiwan’s future – a point few scholars have ever considered. In this model, the first key “decision” is whether the first player, China, decides to democratize or not. The second key decision is Taiwan’s: whether to separate or unify with China – either peacefully or forcefully. Based on what we know, we further assume the following preference-ranking for the three players involved (“>” means “better than”):

For the PRC: union > status quo > separation; peaceful outcome > forceful outcome
For the DPP: separation > status quo > union; peaceful outcome > forceful outcome
For the KMT: status quo > separation > union; peaceful outcome > forceful outcome

These strategic decisions result in six different outcomes (scenarios). I assign a payoff of 6 for the best outcome, 5 the second best…, and 1 the worst. In each bracket, the first payoff is PRC’s, the second the DPP’s, and the third the KMT’s. Let’s review these scenarios.

Scenario I (1, 6, 5), “amicable separation,” is for Taiwan to peacefully separate from China permanently after China becomes democratic. This is the best outcome for the DPP, but the worst for the PRC. Scenario II (5, 4, 6), “democratic confederation,” is for Taiwan and China to peacefully form some type of political union after China becomes democratic. This is the KMT’s best outcome (according to its official rhetoric), second best for China, and third best for the DPP. Scenario V (6, 2, 3), “one country, two systems-plus,” is for Taiwan to unify with China without China becoming democratic. This is the PRC’s best outcome, but a bad one for the KMT and the DPP. But the worst outcome for the KMT and the DPP is Scenario IV (4, 1, 1), “military
conquest.” Scenarios III and VI are very unlikely. Although these three players’ payoff structures differ, the outcome with the highest sum of payoffs is the one most acceptable to most players. The following ranking order emerges:

Democratic confederation > amicable separation > one country, two systems = spiteful separation > “democratic” conquest > military conquest

Figure 1: Scenarios of Taiwan's Future Status vis-à-vis China

* The first payoff is the CCP’s, the second payoff is the DPP's and the third payoff is the KMT's

“Democratic confederation” emerges as the best outcome for all at the aggregate
level (“score” = 15), “military conquest” the worst (“score” = 6), with “one country, two systems” falling in between (“score” = 11). Therefore, “democratic confederation,” a compromise outcome, is the best overall outcome of all six scenarios. Not surprisingly, pundits have interpreted Chen’s recent talk of “political integration” and China’s new “one China that includes both the mainland and Taiwan” as signals of both sides’ increasing interest for confederation. Herein lies an important lesson for China: the best hope for Taiwan to ever unify with China is for China to democratize (“democratic confederation”); acquisition of Taiwan through military conquest does not pay. Yet, by democratizing, China also risks losing Taiwan amicably. This is China’s dilemma.

However, confederation has had few enduring success stories. As most political scientists know, historically confederation has not been an equilibrium solution, as it eventually falls into federation or commonwealth. In the Chinese case, the PRC’s lack of rule of law or democracy increase the probability that confederation may become only a phased absorption of Taiwan.

Other arrangements with less autonomy than confederation will probably not be attractive to Taiwan, as they all involve relationships between a central and a local government. Although a federation provides a constitutional division of power and functions between a central government and regional governments, practices have varied greatly and in most countries adopting federalism the central government seems

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7 We have not attempted to theorize on the intensity or distance between these ordinal numbers, that is, we are mainly interested in showing that 6 (best outcome) is better than 5 (second best), rather than how much better. While when we derive the aggregate scores we treat these numbers as if they were real numbers (i.e., equal distance), our point is still valid, for an outcome with a total “score” of 15 is still better (perhaps much better) than another outcome with a “score” of 11.
to be steadily gaining power. In British-style devolution, local governments may get some decision-making autonomy granted by the central government, but it can also be revoked.

All these existent models have limits. Resolving the cross-strait dilemma sorely requires an imaginative approach. Beijing has a penchant for historical references: its historical claims to Taiwan or Tibet or the South China Sea, absence of a confederation or federation in Chinese history as an excuse for rejecting these proposals, and so on. However, history can also inhibit imagination, path-blazing, and certainly has become a burden. Ed Friedman is particularly astute in debunking historical narratives.

As Thomas Jefferson eloquently stated in 1824, “The earth belongs to the living (not the dead)…Nothing then is unchangeable but the inherent and unalienable rights of man.”8 A stable and viable long-term relationship between the two Chinas should be based on the rights and aspirations of their current residents, not the death wishes of their aggrieved ancestors.

Despite its current relaxation, cross-strait relations still possess the fundamental dilemma as I analyzed earlier and have the potential for flare-up. In other words, they are not stable. Democracy may provide the long-term stabilizing force that not only validates popular sovereignty in Taiwan but also increases China’s attractiveness to Taiwan. This ideational dimension – long overlooked by most academics but clearly important – is Ed Friedman’s indefatigable insight.

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