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ASEAN-China and Asia Regionalism: Implication to Taiwan

Chap Sotharith

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Cambodian Institute for Cooperation and Peace, CICP
Pum Paung Peay, Sangkat Phnom Penh Thmey, Khan Russey Keo,
Phnom Penh, Kingdom of Cambodia
P.O.Box 1007, Phnom Penh, Cambodia
Phone: 85512 819953
Tel/Fax: 855 23 982559
Email: cicp@everyday.com.kh
Website: <http://www.cicp.org.kh>

Abstract:

New Asian regional cooperation mechanisms in the region, such as Greater Mekong Sub-region (GMS), Ayeyawadi-Chappaya-Mekong Economic Cooperation Scheme (ACMECS) and other regional development corridors are well in the developing process adding to many others of rest of the world. This is an emerging new Asian regionalism. With this trend, Taiwan is hardly mentioned or almost excluded due to political constraints with one-China policy committed by most countries in the region. This paper will analyse the implications of ASEAN-China relation and new trend of Asia Regionalism to Taiwan. The role of Taiwan in regional integration is also highlighted.

About the Author:

Dr. Chap Sotharith is Executive Director and Senior Research Fellow of Cambodian Institute for Cooperation and Peace, CICP, Phnom Penh, Cambodia. He holds a Ph.D. in Economics from University of Sydney, Australia (2006) and a Master of Science in Regional and Rural Development Planning from Asian Institute of Technology (AIT) Bangkok, Thailand (1994). After many years in joining CICP, Dr. Chap Sotharith has participated in international regional and local conferences on many development issues and has contributed many researches including International Relations, Strategic and Defense Studies, ASEAN, WTO, Greater Mekong Subregion and Socio-Economic Policies and others. He has published many books and papers both in English and Khmer.

He can be contacted by Tel: 855 12 900 484, Fax: 855 23 982 559 or
Email: chapsotharith@hotmail.com

ASEAN-China and Asian Regionalism: Implication to Taiwan

By Chap Sotharith¹

1. Introduction

ASEAN reaffirms that it will continue to adhere to the One-China policy; firmly oppose Taiwan independence and recognizes the Government of the People's Republic of China as the sole legal government of China and ASEAN considers Taiwan as an inalienable part of Chinese territory and it will continue to support China's cause of peaceful reunification.

Along with China's continuous aggressive economic growth averaging about 9 percent over the past decade and stronger foreign policy in the region have come concerns that major increases in military spending mean the world's most populous country may be seeking a role as the strongest power in the Asia-Pacific region. Some countries regard China as a threat to regional and global security, especially Taiwan.

But China always convinces the world that China will be responsible and "rise peacefully." In November 2005, Chinese President Hu Jintao told the Asia Pacific Economic Cooperation Forum, offering assurances there is nothing to fear from his fast-developing country and emphasizing that China has great potential to contribute to world peace. "Facts have proved that China's development will not stand in the way of anyone, nor will it pose any threat to anyone," Hu said in a speech to a gathering of chief executives. "Instead, it will only do good to peace, stability and prosperity in the world."²

¹ Dr. Chap Sotharith is Executive Director, Cambodian Institute for Cooperation and Peace. This paper is updated from the original paper presented in the Second Annual Conference on "China-South East Asia Relation and Taiwan Issues" Shanghai, 22-23 October 2006

² Hu's speech was quoted by By Kelly Olsen of the Associated Press, Nov. 18, 2005

This paper will analyse the implications of ASEAN-China relation and new trend of Asia Regionalism to Taiwan. The role of Taiwan in regional integration is also highlighted. The paper is divided into 3 parts; first focusing on ASEAN-China relation and Asia new Regionalism, second on Roles of Taiwan and the last part on Policy Suggestion on Taiwan Issues to Chinese and ASEAN Governments.

2. ASEAN-China Relation and Asia Regionalism

China's embrace of market-led economic development may diminish against past assertive postures in the region and lead to more multilateral and cooperative approaches. China's increasingly active diplomacy towards Southeast Asia can be viewed as a gentle outgrowth of its efforts to achieve economic development for the betterment of its people or as part of an assertive foreign policy. China's embrace of multilateral initiatives with ASEAN, such as the 2003 Treaty of Amity and Cooperation with ASEAN and efforts to forge a China-ASEAN Free Trade Area, which was advanced in November 2004, are variously viewed as evidence to promote ASEAN-China relation.

Some analysts are becoming concerned that China and Southeast Asia may form a bloc that will have the effect and indication of excluding the United States' trade with the region. What appears from the data is that China's trade has been rising rapidly, though from a low baseline, while America's trade, though still high in absolute terms, is relatively stable. China's trade with ASEAN increased by an average 75% per year over the period 1993 to 2001.³ Table 1 indicates a very fast growing trade between ASEAN countries and China, both in import and export. The Framework Agreement on China-ASEAN Comprehensive Economic Cooperation signed at the November 3-4 summit in Phnom Penh in 2002 marked a significant step towards forging a regional free trade area of some 1.7 billion people. Overall, Southeast Asian states view China's rise as offering great opportunities as well as potential challenges.

³ Bruce Vaughn (2005), *China-Southeast Asia Relations: Trends, Issues, and Implications for the United States*, CRS Report for Congress, p.8.

Table 1: China's trade with selected ASEAN countries

	China Exports to		China Imports from	
	1992	2003	1992	2003
Brunei	\$10	\$34	\$5	\$312
Cambodia	\$13	\$295	\$0.2	\$26
Indonesia	\$471	\$4,482	\$1,554	\$5,747
Laos	\$28	\$98	\$4	\$11
Malaysia	\$645	\$6,141	\$830	\$13,986
Burma	\$259	\$910	\$131	\$169
Philippines	\$210	\$3,093	\$155	\$6,307
Singapore	\$2,030	\$8,864	\$1,236	\$10,485
Thailand	\$895	\$3,828	\$425	\$8,827
Vietnam	\$106	\$3,183	\$73	\$1,457
ASEAN	\$4,667.00	\$30,928.00	\$4,413.20	\$47,327.00

Source: United Nations Statistics Division - Commodity Trade Statistics Database (COMTRADE). Figures in millions of dollars. There are some differences in data due to the inclusion of Hong Kong in China's trade in some data and not in other data.

Asian Regionalism: An East Asian Community

A world of regions is shaped by economic and social processes of regionalisation and by structures of regionalism. Regionalisation describes the geographic manifestation of international or global economic processes. Regionalism refers to the political structures that both reflect and shape the strategies of governments, business corporations and a variety of non-governmental organisations and social movements.⁴

In the post-Cold War and post-Sept. 11, 2001 era of the world, a great deal of attention and debates have been paid to multilateral cooperation in East Asia and to the formation of economic and political cooperation and dialogue mechanisms aimed at creating a sense of East Asian identity and broader Asia-Pacific community.

New Asian regional cooperation mechanisms in the region, such as Greater Mekong Sub-region (GMS), Ayeyawadi-Chappraya-Mekong Economic Cooperation Scheme (ACMECS) and other regional development corridors are well in the developing process adding to many others of rest of the world. This is an emerging new Asian regionalism.

⁴ *Peter J Katzenstein, Regionalism and Asia in New Political Economy*, Abingdon: November 2000 , Vol 5, Issue 3, pg. 353.

Though there are many confusing points over what would be the new Asian regionalism and what would be the “old Asian regionalism,” this paper is focused primarily on a larger regional setting than ASEAN, probably the “East Asian Community.”

Within ASEAN, there are 3 emerging communities: ASEAN Economic Community, ASEAN Political Community and ASEAN Social-Cultural Community. Asian new regionalism probably is centered on ASEAN, as a core initiative. Though there are many challenges, Asian new regionalism is an idea whose time has come to be realized. Increasing regional cooperation is often invoked as a necessary response to regionalisation elsewhere such as the EU or NAFTA. Yet Asian regionalism has yet to be described adequately in form of formal institutions. In the political norms that form it and in the political capacity for collective action the Asian Regional Forum, for example, differs dramatically from its more interventionist European equivalents, the Organisation for Security and Cooperation in Europe (OSCE) and NATO. Equally, the superficial economic integration that is the aim of Asia Pacific Economic Cooperation (APEC) sets it apart from the deep political integration that characterises the EU. Lacking a functional base of binding commitments, ARF and APEC are considered primarily fora for the discussion of important policy issues and, thus, institutions and mechanism useful for increasing confidence building. They are designed to strengthen regional economic cooperation only in the long term.

Although the EAC was meant to jumpstart ideas into more concrete plans, it was in actuality the podium initiated for former Malaysian PM Mahathir Mohammad’s vision of East Asian regionalism. Hailing him as the “first true East Asian” after the Second World War, the idea of a united East Asia has been attributed to him, together with the propositions for an East Asian Economic Community and an East Asian Political Community. After all, PM Mahathir’s vision of an East Asian grouping was first advocated in the 1990s but was neglected by the Japanese government due to the international political exigencies of that time.⁵

For more than a decade so far, the East Asian regionalism movement has been more and more attractive and states are more open to this idea, allowing PM Mahathir his second

⁵ Ms. Chang Li-Lin (2003) “An East Asian Bloc: Delivering the Promise”, a paper presented in at the SIIA’s Tête-à-tête on 5 September 2003.

chance at pushing this issue, declaring his four principles of building East Asian regionalism successfully – mutual benefit, mutual respect, egalitarianism, consensus and democracy. Dr. Mahathir's vision for East Asia group has to be admired for not being introspective and exclusive, but rather quite outward-looking and hopefully, beneficial to all the East Asian countries in order for a stronger voice in the international arena.

The current East Asian regionalism has related to the market-oriented approach and the rise of China. This trend of regionalism is apparently facilitating the formation of several regional economies involving with China's participation. China's surprising economic growth over the past two decades is evident and it presents more and more China's influence over regionalism. China has maintained in average an annual growth rate of GDP at nearly 10 percent and foreign trade at about 15 percent since 1978. China ranked 34th trading nation in the world in 1978, but by 2002 it ranked the 5.th Perception of China's rise has been polarized between those who perceive it as a threat and those an opportunity.⁶ The recent trends of East Asian regionalism seems to highlight a major shift in the region's altitude towards China, and ever more countries in the region have begun to focus on the rise of China more as an opportunity than threat, and they seem eager to build a long-term partnership with China and tap China's fast-growing domestic market.

3. US-China-Taiwan trilateral ties

In 2005, the US-China-Taiwan trilateral relation turned into the new consideration. The world has examined the Beijing's diplomatic policy toward Taiwan with care and concerns after China adopted the so-called "Anti-session Law." This outcome is believed to be inconsistent with the Chinese Communist Party's (CCP) self-styled image as a peaceful, responsible, and constructive rising power. The CCP may have scored a victory in late April and early May with the historic trips to the mainland by Taiwan opposition party leaders Lien Chan and James Soong, but is too soon to tell whether that effort will bear fruit in cross-Strait relations over the longer term.⁷

⁶ Wei Wei Zang, (2003) East Asian Regionalism: Implications for Cross-Strait Relations, Paper presented in Conference on Taiwan and China in Global Communities, London 17 October, 2003

⁷ Thomas J. Christensen (2005) Have Old Problems Trumped New Thinking? China's Relations with Taiwan, Japan, and North Korea, China Leadership Monitor, No.14, The Hoover Institution.

On March 14, 2005, the National People's Congress (NPC)—the PRC's nominal legislature—passed an anti-secession law which provided a strong warning signal against Taiwan's move to independence. The law was passed at a time when domestic politics in Taiwan and cross-Strait relations more generally appeared quite positive from Beijing's perspective. Beijing had also been largely satisfied with Washington's policies toward cross-Strait relations. This law created a negative reaction in Taiwan, the United States, and some countries in the region. The passage of the law had undesirable repercussions for China even in the European Union.⁸ It remained to be seen whether subsequent trips by Taiwan's opposition party leaders to the mainland in April and May 2005 would improve relations across the Strait or would prove polarizing in Taiwan politics and destabilizing across the Taiwan Strait.

Given the changes and development in East Asian regionalism, relations across the Taiwan Strait have evolved accordingly. Since the beginning of 2006, Cross-Strait relations have gone through ups and downs of the hill, producing more than just a few wrinkles in the US-China-Taiwan trilateral ties.⁹ Most notably, Mr. Chen Shui-bian's decision to "cease the functions" of the National Unification Council and Guidelines in February 2006, and his public remarks since September 2006 on Taiwan's planned constitutional re-engineering to possibly include "its territorial definition" heightened tensions not only across the Taiwan Strait, but also further undermining the already-fragile trust between Washington and Taipei.

On the other hand, with agreements entered into on future direct transportation links between China and Taiwan—the non-stop, charter flights over the Mid-Autumn Festival in early October 2006 being the latest example—the trend appears headed toward greater institutionalization of exchanges in, at least, politically non-sensitive areas. Moreover, the party-to-party relationship between the Kuomintang (KMT) and the Chinese Communist Party (CCP) continues to flourish, with the latest round of the inter-party forum on agricultural cooperation taking place on Hainan Island in October 2006.¹⁰ Despite the

⁸ Ibid.

⁹ For more details see Raymond Ray-kuo Wu (2006), *East Asia's Peace and Security in 2006: The Year of Living Dangerously*, in *Views & Policies*, Taiwan Forum, Vol 3. No. 2 December 2006, p.13.

¹⁰ *ibid*

continued stalemate at the official level, these recent developments have, at the every least, set in place a level of assurance for peace and stability across the Taiwan Strait.

4. Implications to Taiwan

ASEAN Policies toward Taiwan

The Taiwan question is the most crucial and most sensitive issue, especially in the relations between China and the U.S. ASEAN members have been watching closely the progress of China-Taiwan relation or cross-strait relation. ASEAN wants to see the two parties continue exchanging dialogues and negotiation and can settle the differences peacefully.

Cambodia as well as other nations in Southeast Asia is committed to see the cross-straits relations with three basic fundamentals: 1) we are stick to “One-China” policy; 2) we do not want cross-Straits relations to “get out of control”, thus creating instability to the region and spread bad impact to deter foreign investments and disrupt trade flows, thereby plunging ASEAN into a problem; and 3) we want to see the that the cross-Straits relations are also fundamentally determined by the significant advance of ASEAN-China relations in all aspects, and the accompanying decline in ASEAN-Taiwan relations, despite Taiwan’s official “Go South” policy towards Southeast Asia.

ASEAN-China relation has been gradually strengthened in all aspects, especially in security, economic and socio-cultural aspects as evidenced by recent trend in cooperation including ASEAN-China free trade area. This aspect of “advancing ASEAN-China ties and cooperation” within the context of China’s “peaceful rising” is a phenomenon that Taipei could no longer afford to ignore in its own strategic decision, especially in current cross-Straits tensions.

Much speculation has been focused on the rise of China today; Southeast Asia is no exception, especially in its analyses among scholars, which focus either on China’s economic emergence or its impressive social and political transformation. Beijing’s relations with ASEAN could hence provide one of the best indicators of China’s growing impact on the region, with negative repercussions on Taiwan’s relations with the region.

The extent of Taiwan’s rising integration and dependency on the PRC economy has been a cause of great concern in Taipei. The Taipei has attempted to diversify investments

away from China with a “go-south” policy (invest in and trade with Southeast Asia instead of China), but the attraction of the PRC with its huge local market, low-cost labor, common language, and economic incentives continues to draw in businesses from Taipei. Though Taipei is cautions its businesses about the risks of investing in the PRC, it could not do anything but intervene to keep the latest technology from migrating there. The intention of this “Go South” policy was clear, as it was meant to lessen Taiwan’s economic dependence with and links to the Mainland, for fear of problematic strategic implications, especially in the event of cross-Straits tension or conflict. This was also Taiwan’s attempt to draw ASEAN away from China, in the context of “mutual competition,” but Taipei’s “Go South” policy appears to be unsuccessful today, given the China’s huge market attraction to Taiwanese businesses and “advancing ASEAN-China ties and cooperation” within the last eight years.

The failure of such a policy is obvious. Not only have Taiwanese businessmen increased their investments to and economic links with the Mainland, but their investments into ASEAN countries have been stalled or reduced, thanks partly to the relative “decline” of ASEAN countries’ competitiveness as well as ASEAN’s high geo-political risks, as compared to China’s; Taiwanese businessmen have refused to follow the official government line out of economic and business pragmatism.

Meanwhile, another important shift in Southeast Asia could spell the complete demise of Taiwan’s “Go South” policy altogether. ASEAN-China relations have clearly consolidated to the detriment of Taiwan, Japan and the United States. The successful strengthening of ASEAN-China relations, despite their recent historical animosities and economic “hang-ups”, will now constitute a real challenge to Taiwan’s foreign policy, as cross-Straits relations remain uncertain and tense, especially after Taiwanese leader Chen Shui-Bian’s inauguration for a second term in office; Taiwan clearly needs friends across the region to stand by its side, in case animosities break out across the Taiwan Straits.

China’s influence, clout and “soft power” have grown tremendously in Southeast Asia. This development has serious implications for cross-Straits relations, as ASEAN-China relations consolidate and ASEAN-Taiwan relations decline. Southeast Asia’s official reiteration of Beijing’s “one China” policy at their Foreign Ministers’ Retreat in Halong Bay, Vietnam in April is a clear indication that ASEAN would perceive future cross-Straits relations through the prism of its own consolidated relations with Beijing. Taiwan has to acknowledge the failure of its “Go South” policy and seriously re-examine cross-Straits relations in this new light.

Impact of the Regionalism to Trade and Investment

Indeed, the rise of East Asian regionalism has coincided with the rapid trade growth between China and its ASEAN and East Asian neighbours. Japan has become China's largest trading partner, and the annual bilateral trade volume is likely to reach US\$120 billion by the end of 2003. While many Japanese still view China as a threat, recent developments in Japan seem to suggest a shifting trend: Prime Minister Koizumi repeatedly stressed that China's economic rise does not threaten Japan, and Japan's recent signs of economic recovery are widely attributed to those Japanese firms that have profited from their investments in China.¹¹

The proposed ASEAN Economic community is the starting point to promote regional economic integration aiming at social and economic development through trade and investment. Starting from AFTA and ASEAN Investment Area, ASEAN are actively engaged in further building free trade agreements with other major trade partner including China (ASEAN-China FTA), Japan (Economic Partnership Agreement), Korea (ASEAN-Korea FTA) and India (Framework Agreement). The process of negotiate differs among each partners that may lead to some difficulty and delay.

However, it is alarming that as economic and commercial relations intensify between the Asian powerful giants (China and Japan), leaders of these two countries could not even talk to each other face to face, an abnormal political situation that is at odds with international trends today. It also brings into sharp focus the future roles of both Beijing and Tokyo within Asia, and the real danger for smaller Asian countries: they fear having to eventually take sides in this growing rivalry.¹² As one symbol of this rivalry, Japan remains the biggest donors for some ASEAN member such as Cambodia and Vietnam (about US\$100 million per year for Cambodia and US\$870 million per year to Vietnam) and had pledged \$135 million to fight bird flu regionally, as well as another \$62.5 million to assist ASEAN's social, cultural, and educational needs. China, in competition, appeared to have used its foreign

¹¹ Ibid.

¹² Eric Teo Chu Cheow (2006) Geo-strategic imperatives of the East Asia Summit, PacNet Newsletter, December 23, 2006

policy and economic, investment and trade clout to advance its already-dominant position within Asia, whilst seeking to reduce concerns about the “China threat.” China has increased its presence in terms of FDI and acquisition of foreign assets in the region. As an example, China now has been the biggest FDI in Cambodia for the past 5 years. As long as Beijing-Tokyo relations are not “normalized,” the EAC and whatever institution or organization including East Asian Summit have little hope of taking off and Asia will remain split and “disintegrated.”

Roles of the US in Asian Regionalism

The Taiwan factor can not be isolated from the roles of the superpower, the United States. The United States looks at the growing trend of Asian regionalism with caution. It goes without saying that the United States is very closely linked with the Asia Pacific cooperation including security cooperation. The United States has been an active partner in some of these institution-building and/or community-building efforts and, in recent years (unlike the early 1990s), its effort has been generally supportive of – or at least not actively opposed to – those in which it is not a member. In fact, the Bush administration, despite its (sometimes deserved) reputation for unilateralism elsewhere, has been particularly supportive of East Asian and broader Asia-Pacific multilateralism.¹³

Nonetheless, it is difficult to discuss U.S. position toward East Asia regionalism or the development of an East Asian community since an East Asian community has yet to be defined – much less credibly emerge – and regional governance, even within the much more tightly knit Association of Southeast Asian Nations (ASEAN) community, has barely evolved, especially if one were to compare Asia to Europe or other regions. It is not even clear, at present, what constitutes “East Asia,” much less America’s place (or lack thereof) in it.¹⁴ Some envision an “Asia for Asians” approach, arguing that an East Asia community should be restricted, at least initially, to the ASEAN Plus Three (A+3) members; i.e., the 10 ASEAN countries plus China, Japan, and the Republic of Korea. But, at the A+3 summit in Vientiane, Laos on Nov. 29-30, 2004, India was also represented (as it had been in 2003), with Australia and New Zealand also participating for the first time. These states were invited

¹³ Ralph Cossa, et al., (2005) *The Emerging East Asian Community: Should Washington be Concerned?* Pacific Forum, CSIS, Honolulu, Hawaii.

¹⁴ Ibid.

to the first East Asia Summit (EAS) in Malaysia in December 2005, even though former Malaysian Prime Minister Mahathir has made it clear that he personally does not believe Australia and New Zealand belong in the group (suggesting that they were quasi-European nations despite their location). Dr. Mahathir seems more favorably disposed toward New Delhi, even though India's ties to East Asia, while growing, pale in comparison to those of Canberra or Wellington. Meanwhile, no one is quite sure what to do about North Korea and everyone seems to overlook Mongolia while trying to ignore Russia, even though all three are arguably East Asian nations.

The U.S, under President Bush administration, has initiated the so-called "Enterprise for ASEAN Initiative." That initiative, launched in October 2002, seeks to strengthen U.S. trade and economic ties with ASEAN as a force for stability and development in the Southeast Asian region.

Roles of Taiwan in Asian New Regionalism

Concerning the role of Taiwan in the Asian new regionalism, economic and trade seems more appropriate than political one, which is very sensitive and complicated. Given the prolonged political hostility between Beijing and Taipei, it is understandable that Taipei has its concerns over the rise of China, as Taiwan still perceives Beijing as its principal adversary bent on strangling its "international space" and taking it by force if need be. For the mainland side, it still considers Taiwan is an integral part of China. If Taiwan declares independent, it might use forces.

However, despite political animosity between the two sides, many Taiwanese, especially businessmen, are believed to view the rise of China more as an opportunity. Taiwanese businesses have poured as much as US\$ 100 billion into the mainland over the last decade; more than 300,000 Taiwanese living and working in the Shanghai region alone, and recent years see over 3 million visits annually from Taiwan to the mainland, and since 2002, China has become Taiwan's largest export market.¹⁵ Even before these latest changes were brought into effect, cross-Straits economic ties continued to grow. Direct trade reached US\$107.8 billion in 2006, and through the first 11 months of the year, indirect trade, as

¹⁵ For more details see Wei Wei Zang, (2003) East Asian Regionalism: Implications for Cross-Straits Relations.

measured by Beijing, stood at US\$593.9 billion—with the balance heavily in Taiwan's favor. Taiwan's investment in the Mainland also continued to grow rapidly.¹⁶

This cross-Strait “informal economic integration” is in fact one of the most dynamic and significant parts of the new Asian regionalism, especially ASEAN-China FTA.

On the other hand, it is undeniable that Taiwan is already the member of WTO; hence there are trade negotiations within this global trade family.¹⁷ Taiwan increasing FDI in Asian countries also plays an important role in exporting from host country and benefit to Taiwanese businesses. Though bilateral Free Trade Agreement with individual country is difficult according to China's factor, Taiwan can find other way in promoting regional economic integration through informal economic activities such as investment, trade and tourism.

5. Conclusion

Cross-strait relation is closely linked to Asian regionalism and it has major impact to regional security. The Asian new regionalism is still well on the way, the way full of preparations, controversy and challenges. The roles and position of the world major powers, especially the United States is still unclear and Myanmar factor is still a problem. The increasing rivalry between China and Japan is also the constraint in new Asian regionalism.

Taiwan is a territory very close to Southeast Asia. Due to its present economic power and dynamism, Taiwan should more or less be provided with some important roles and space in regional integration. Though politics is complicated, economic integration should be in form of investment, trade and tourism. Other regional integration should be in form of promoting People to people contact, youth involvement, sports, transport link (air and sea), social protection, humanitarian assistance and cultural and academic exchanges.

Non-state actors such as civil society and academia will play a crucial role in building Asian new regionalism, especially through Track 2 diplomacy and other dialogue

¹⁶ Alan D. Romberg (2007) Politicians Jockey for Position in Taiwan's 2007–2008 Elections, While Japan Jockeys for Position Across the Strait. China Leadership Monitor, NO. 20. The Hoover Institution.

¹⁷ Taiwan is the TWO member by recognizing as a “Customs Territory” not as a country.

mechanisms. Asian new regionalism should be built on the basis of mutual interest and for the benefit of regional security and people's welfare.

6. Policy Suggestions on Taiwan Issues

ASEAN will continue to support the status quo relation between the two parties, as what Taiwanese leader Chen's public reaffirmation and commitment on June 8, 2006, that Taiwan will not declare independence, change the national name, push for sovereignty themes in the constitution, or promote a referendum to change the status quo.¹⁸

ASEAN also support China's cause of peaceful reunification to promote peace and cooperation and ensure regional security and prosperity.

Most of people in Southeast Asian countries concerned over the possible clash between China and Taiwan with possible involvement of the United States. As clearly stated in the "Taiwan Relation Act of April 10, 1979," the United States still has a possibility to intervene if the war between the two parts may occur. Under this Act, the United States may reserve rights to provide Taiwan with defensive capabilities. However, United States confirms its position related to US-China relation that the Act, along with three joint communiqués issued between 1972 and 1982 recognizes the People's Republic of China as the sole legitimate government of China and Taiwan is part of China.¹⁹

China should engage Taiwan more with soft manner and flexibility to win the hearts of Taiwanese people. Though there are some bottom lines for China to restrict to contain Taiwan in its campaign in launching diplomatic efforts for independence, some living space should be provided, especially in term of economic, social and cultural relations. More dialogues between the two parties should be promoted to promote mutual understanding and to reduce differences for the cause of unification.

¹⁸ For more details see related article at <http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2006&m=June&x=20060608173449cagnoud0.517605>

¹⁹ The Taiwan Relation Act can be accessed at http://usinfo.state.gov/eap/Archive_Index/Taiwan_Relations_Act.html

ASEAN-10 will have the role to steer the wheel of New Asian regionalism, East Asian Community because ASEAN is more acceptable to all parties concerned. ASEAN will work as a facilitator to mediate the cross strait relation.

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