Integrating From Below: Observing the "Linkage Communities" across the Taiwan Strait

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Abstract

Scholars have been debating over the political consequences of growing economic exchanges and social contacts across the Taiwan Strait: Whether these linkages may pave the way for final in the end? Scholars sticking to the earlier integrationist framework would often disagree with each other over the "spillovers" from socio-economics to politics. The paper thus borrows the policy networks perspective and focus on interest group like "linkage communities" to help observe how interest-driven socio-economic transactions may transform into identity-based political allegiance and in the end bring about political leverage.

Key Words: Cross-Strait Relations, Identity, Economic Statecraft, Integration Theory, [China's] Policy toward Taiwan, [Taiwan's] China Policy

I. Introduction

Since about mid-1990s, cross-Strait relations have been characterized as "political separation with economic integration."[1] Though successfully deterring the endeavors fro Taiwan independence, China achieved little in breaking the current political stalemate. On the one hand, public opinion surveys conducted in Taiwan indicate that some 80 percent of Taiwanese lean toward status-quo—i.e., ongoing political separation with mainland China.[2] On the other hand, the policy position of the United States has been made clear: US would oppose any unilaterally attempt to change the current status-quo.[3] Consequently, as most Taiwanese believe, cross-Strait relations will remain stable for the foreseeable future, no matter the "pan-Blue" or the "pan-Green" would be ruling.

Even though the political status quo looks stable, cross-Strait economic transactions and social contacts have been both dynamic and close. According to official statistics, today's China brings in more than 40 percent of Taiwan's exports, up to 70 percent of Taiwan's FDI, and almost one million Taiwanese businesspeople. Therefore, China has the incentives and capability to exert its political leverage over Taiwan. The economic interdependence across the Taiwan Strait thus is widely believed to be *the* factor that might reshape the future of cross-Strait relations.[4]

Observing from a broader theoretical context, increasing socio-economic contacts with growing political alienation make today's cross-Strait relations a very unique case analyze the nexus between economic and political integration. But without an appropriate analytical framework, we can not successfully make sense the effectiveness of China's economic statecraft in particular and the influences of economics on politics in general. Just like today's situation, scholars inspired by the Integration Theory are often sharply divided among themselves—not just over substantial issues but how to settle those issues.[5] To provide common grounds for

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[1] See Yu-Shan Wu, *Kangheng huo Hucong: Liang'an Ganxi Xinquan* (Balancing or Bandwagoning: A New Interpretation of Cross-Strait Relations] (Taipei: Cheng Chung, 1997), 154-69 and Suisheng Zhao, "Economic Interdependence and Political Divergence: A Background Analysis of the Taiwan Strait Crisis," in *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*, ed. Suisheng Zhao (New York & London: Routledge, 1999), 21-40.

[2] http://esc.nccu.edu.tw/newchinese/data/tonduID.htm. See also T. Y. Wang and I-chou Liu, "Contending Identities in Taiwan: Implications for Cross-Strait Relations," *Asian Survey* 44, no. 4 (July/August 2004): 568-89.

[3] Yu-Shan Wu, "From Romantic Triangle to Marriage? Washington-Beijing-Taipei Relations in Historical Comparison," *Issues & Studies* 41, no. 1 (March 2005), pp. 113-59；Ronald S. Zagoria ed., *Breaking the China-Taiwan Impasse* (Westport, CT: Praeger, 2003); and Steven Goldstein and Randall Schriver, "An Uncertain Relationship: The United States, Taiwan, and the Taiwan Relations Act," *The China Quarterly*, no. 165 (March 2001): 147-72.

[4] See Christopher M. Dent, "Being Pulled into China's Orbit? Navigating Taiwan's Foreign Economic Policy," *Issues & Studies* 37, no. 5 (September/October 2001): 1-34, Yung Wei, "From 'Multi-System Nations' to 'Linkage Communities': A New Conceptual Scheme for the Integration of Divided Nations," ibid. 33, no. 10 (October 1997): 1-19, and Chien-min Chao, "Will Economic Integration between Mainland China and Taiwan Lead to a Congenial Political Culture?" *Asian Survey* 43, no. 2 (March/April 2003): 280-304.

[5] Will be discussed later.

academic analyses or debates, this paper thus suggests a "linkage community" framework — which focuses on the relative bargaining power between different interest/advocacy groups generated with the expansion of cross-Strait exchanges and contacts. Hopefully, this framework can help organize factual information and thus lead to a clear-cut assessment over the progresses and limits of cross-Strait integration.

To do so, this paper will be divided into following sections. In next section, I will briefly characterize current cross-Strait relations with a focus on China's new economic statecraft against Taiwan. In the following Section Three, I will quickly review the existing research over cross-Strait integration and explain why we haven't yet found an effective analytical framework for making sense cross-Strait integration. The framework of "linkage communities" is proposed in Section Four, which highlights changes in (1) the size, resources, and organization of the linkage communities and (2) their relations vis-à-vis the state and other rival groups, and (3) their constraints from the international power structure. The concluding section will address a bit about the strengths and weakness of this analytical framework offered in the paper.

II. Economic Favors for Political Assimilation: China's Statecraft to Break the Cross-Strait Stalemate

Since the 1996 missile crisis, the relationship between China and Taiwan has become an international concern.[6] Some believe that such confrontation would lead to an all-out military conflict between China and the U.S.[7] Other, of course, might disagree. But, what shall be the future prospects of cross-Strait relations? Will China and Taiwan eventually go to war? Is there any mechanism, such as socioeconomic interdependence, that may mitigates disputes over sovereignty and facilitate stable integration across the Taiwan Strait?[8] Moreover, is it also likely that

[6] Nina Halpern & Samuel P. S. Ho, "Understanding Cross-Strait Relations," *Pacific Affairs*, 72: 4 (Winter, 1999/2000), pp. 491-494; Chas. W. Freeman, Jr., "Preventing War in the Taiwan Strait: Restraining Taiwan-and Beijing," *Foreign Affairs*, 77:4 (July/Aug. 1998), pp. 6-11. For analytical treatments, see Tun-Jen Cheng, Chi Huang, & Samuel S. G. Wu. eds., *Inherited Rivalry: Conflict across the Taiwan Strait*. (Boulder, CO: Lynne Rienner, 1995); Suisheng Zhao, *Making Sense of Relations across the Taiwan Strait: The Crisis of 1995-1997* (New York & London: Routledge, 1999); Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* (Lanham, MD: Rowman & Littlefield, 1999). For the historical background, see Lijun Sheng, *China's Dilemma: The Taiwan Issue* (London & New York: I.B. Tauris, 2001); Lijun Sheng, *China and Taiwan: Cross-Strait Relations under Chen Shui-bian* (London & New York: Zed; Singapore: Institute of Southeast Asian Studies; Distributed in the USA by Palgrave, 2002).

[7] For example, Shisheng Zhao, "Military Coercion and Peaceful Offence: Beijing's Strategy of National Reunification with Taiwan," *Pacific Affairs*, 72: 4 (Winter, 1999/2000), pp. 495-512; Parris H. Chang & Martin L. Lasater, *If China Crosses the Taiwan Strait: The International Response* (Lanham: University Press of America, University Park, PA: Center for East Asian Studies, Pennsylvania State University, 1993); Ted Galen Carpenter, America's Coming War with China: A Collision Course over Taiwan (Basingstoke, UK & New York: Palgrave/Macmillan, 2006); Steve Tsang, If China Attacks Taiwan: Military Strategy, Politics and Economics (London & New York: Routledge, 2006) ; Richard C. Bush, Untying the Knot: Making Peace in the Taiwan Strait (Washington, DC: Brookings Institution Press, 2006); Nancy Bernkopf Tucker ed., Dangerous Strait: The U.S.-Taiwan-China Crisis (New York: Columbia University Press, 2008).

[8] Please refer to Hsin-hsing Wu, *Bridging the Strait: Taiwan, China, and the Prospects for Reunification* (Hong Kong & New York: Oxford University Press, 1994); Ralph N. Clough,

such growing economic exchanges and social contacts would ultimately make political rapprochement and political unification unavoidable?[9]

Given the current situation, "political separation with economic integration," the key to carve out cross-Strait future probably lies in the "spillover effects" from economics to politics. Therefore, governments from both sides have reasons to either take advantage of or stay vigilant for the impacts from economics to politics. For example, China has introduced policies like "using business to steer politics" (*yishang weizheng*) and "using economics to promote unification" (*yijing cutong*) to gain leverage over Taiwan.[10] Taiwan, on the other hand, has also taken policy initiatives such as "going south" and "going slow" (or "patience over haste," *jieji yongren*) to defeat China's efforts exert influences.[11] In other words, the struggles between China and Taiwan can be largely understood as the tug of war between economics and politics. And the integration across the Taiwan Strait thus can show us the contention between the two forces. This leads to Hu Jintao's new waves of endeavors to "win over the hearts of the Taiwanese people" through economic benefits.[12]

Reaching across the Taiwan Strait: People-to-People Diplomacy (Boulder, CO: Westview Press, 1993).

[9] Li Fei, ed., *Haixia Liang'an Jingji Yiti Lun* (On the Economic Integration across the Taiwan Strait, Taipei: Boyang, 2003).

[10] Yu-Shan Wu, "Mainland China's Economic Policy toward Taiwan: Economic Need or Unification Scheme?" *Issues & Studies* 30, no. 9 (September 1994): 29-49; Chen-yuan Tung, "Cross-Strait Economic Relations: China's Leverage and Taiwan's Vulnerability," ibid. 39, no. 3 (September 2003): 137-75; Gang Lin et al., "Cross-Strait Economic Ties: Agent of Change, or a Trojan Horse?" *Asia Program Special Report* #118 (2004): 1-18; Tun-jen Cheng, "China-Taiwan Economic Linkage: Between Insulation and Superconductivity," in *Dangerous Strait: The U.S.-Taiwan-China Crisis*, ed. Nancy B. Tucker (New York: Columbia University Press, 2005), 93-130; and Steve Chan, "The Politics of Economic Exchange: Carrots and Sticks in Taiwan-China-U.S. Relations," *Issues & Studies* 42, no. 2 (June 2006): 1-22; Chong-Pin Lin, "More Carrot Than Stick: Beijing's Emerging Taiwan Policy," *China Security* 4:1 (Win. 2008), pp. 1-27.

[11] Murry Scot Tanner, *Chinese Economic Coercion against Taiwan: A Tricky Weapon to Use* (Santa Monica, Calif.. RAND, 2007), 33-71.

[12] There is, however, a debate over among observers of cross-Strait relations whether there is a major change in China's policy toward Taiwan. Those who are skeptical include Shisheng Zhao, "Military Coercion and Peaceful Offence: Beijing's Strategy of National Reunification with Taiwan," *Pacific Affairs*, 72: 4 (Winter, 1999/2000), pp. 495-512 and Dennis V. Hickey, "Beijing's Evolving Policy Toward Taipei: Engagement or Entrapment," *Issues & Studies*, Vol. 45, No. 1 (2009/03), pp. 31-70. Other scholars identify a major policy change, despite there are still difference among them. For example, Lin and Tung emphasize on the leadership shift in Beijing as the major source of such policy change. For Lin, Hu Jingtao is much sophisticated while for Tung, the third generation leadership of China care more about China's economic development. See Chong-Pin Lin, "More Carrot Than Stick: Beijing's Emerging Taiwan Policy," *China Security* 4:1 (Win. 2008), pp. 1-27 and Chen-yuan Tung, "An Assessment of China's Taiwan Policy under the Third Generation Leadership," *Asian Survey*, Vol. 45, No. 3 (May - Jun., 2005), pp. 343-361. Others, such as Chan argue that economic statecraft is equally effective and Keng and Gunter suggest that the recent policy change originates from the limits of Jiang's policy. See Steve Chan, "The Politics of Economic Exchange: Carrots and Sticks in Taiwan-China-U.S. Relations," *Issues & Studies* 42: 2 (2006), pp. 1-22 and Shu Keng & Gunter Schubert, "Agents of Unification? The Political Role of Taiwanese Businessmen in the Process of Cross-Strait Integration," *Asian Survey*, Forthcoming.

Bidding for Taiwanese Hearts: China's New Policy toward Taiwan

The Sixteenth Party Congress of the Chinese Communist Party (CCP), held in October 2002, marked the official beginning of the "Hu Jintao era," but it was not until after the Fourth Plenum of the CCP's Sixteenth Central Committee in September 2004 when Hu began to assert full control over China's policy toward Taiwan.[13] Such policy agenda took a few years to take shape. And nowadays, it is quite clear what are the essentials of China's new policy, or Hu Jintao's "new thinking" on cross-Strait relations.[14]

According to many observers in Taiwan, Hu's Taiwan policy is a "two-handed strategy"(*liangshou celue*),[15] generally described as "keeping the firm hand sufficiently firm and the soft hand sufficiently soft." However, as will be demonstrated in the following discussions, the "firm hand" measures (such as the Anti-Secession Law) are largely defensive actions in nature, being taken to stabilize the current situation. What Taiwan needs to pay more attention to and must be more careful about are offensive measures, i.e., the "soft hand," namely, "look ward to the Taiwanese people" (*ji xiwang yu Taiwan renmin*). Compared with China's policies in Jiang's years, Hu's new campaign of reunification is more sophisticated and discriminating, and consequently, difficult for Taiwan to respond to successfully.

Hu's New Thinking: "Extending Benefits, Transforming Identity"

Hu's new strategy toward Taiwan emerged from the limitations of Jiang's Taiwan policy. Beginning around mid-1990, as Deng Xiaoping gradually left the stage, Jiang Zemin assumed control over the PRC's Taiwan policy.[16] His policy can be divided into two stages set apart by the "special state-to-state relations" dispute

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[13] For detailed information, see Paul Lin, "Hu Maneuvering to Prevent Jiang's Comeback," *Taipei Times*, October 4, 2004, http://www.taipeitimes.com/News/editorials/archives/2004/10/04/2003205528. According to the authors' interviews with Chinese senior researchers on Taiwan issues, between the second half of the year 2004 and the first half of 2005, Hu's office requested reports from and gave directions to the Taiwan Affairs Office almost every week.

[14] See Eric Teo Chu Cheow, "President Hu's Visit to the U.S.: The Taiwan Stake," *Glocom Platform*, April 21, 2006, http://www.glocom.org/debates/20060421_cheow_president/index.html. The term "new thinking" draws from the comments of Chinese scholars and commentators. For their views, see newspaper editorials such as: "Observers' Comments on Hu Jingtao's Talks on Cross-Strait Relations," http://news.xinhuanet.com/taiwan/2005-03/06/content_2656026.htm; and the comments of Li Jiaquan, a renown Chinese scholar on the Taiwan issue, "New Thinking of China's Policy toward Taiwan," http://www.zhongguotongcuhui.org.cn/06tybbs/next050512.htm. China watchers also follow the terms, see Weifeng Guo and Jianmin Zhou, eds., *Hu Jintao yu liang'an guanxi xinsiwei* (Hu Jintao and the new thinking on cross-Strait relations) (Hong Kong: Zhongguo pinglun, 2005).

[15] See Paul Lin, "Don't Be Deceived by Hu's Tactics," *Taipei Times*, November 27, 2006, http://www.taipeitimes.com/News/editorials/archives/2006/11/27/2003338138; and the comments of Chongbin Lin, a leading China watcher in Taiwan, http://news.chinatimes.com/Chinatimes/newslist/newslist-content/0,3546,110514+112005030800328,00.html.

[16] See Paul Lin, "Dirty Old Jiang's Secrets Revealed," *Taipei Times*, December 5, 2002, http://www.taipeitimes.com/News/editorials/archives/2002/12/05/185989.

(*liangguolun shijian*) of 1999. In the earlier period, Jiang's policy was characterized by harsh "verbal attacks and military threats" (*wengong wuhe*) as in the two missile crises of 1995 and 1996, while in the later period Jiang's placed greater emphasis on "great power governance" (*daguo guanxi*, in effect, applying pressures by way of the United States), as the approach to settle the 1999 dispute. In addition to these two major approaches, Jiang also took steps to strengthen trade exchanges in an attempt to "use people to pressure the officials, and use business to constrain the government." Nevertheless, in considering the overall practical consequences of these policies, it is quite obvious that, although China could effectively deter independence, it could do nothing to achieve its ultimate goal of unification. Instead, the application of military-backed pressures has alienated the Taiwanese people and widened the divide across the Taiwan Strait.[17]

In view of the inadequacies of the Jiang-era Taiwan policy, Hu changed his strategies toward Taiwan, promoting greater economic cooperation, avoiding direct struggles over sovereignty, and appealing directly to the Taiwanese citizen. This set of new policies targets directly "the hearts of the Taiwanese people." In more concrete terms, the new strategy includes charter flights across the Taiwan Strait for travelers, duty-free exports of agricultural products to the mainland, provision of favorable terms for Taiwanese investments, relaxation of restrictions on working and staying in China, offering Taiwanese the same status to apply for license and same tuition to study in China and so on and so forth.[18] The logic behind Hu's new policy, according to the author, is to sacrifice China's economic benefits in exchange for Taiwan's political identity.

Hu's interest-based appeal is no doubt a sophisticated strategy. After Taiwan largely completed its democratic transition and state building in the 1990s,[19] in order to make unification likely, China has to overcome a resisting Taiwan identity without using coercive means—which might further establish the Taiwan identity afterwards. Research on the cross-Strait issue reveals that Taiwanese attitudes toward the mainland are influenced by two intertwining factors: identity vs. interests. The former provide the foundation for Taiwan's independence from China while the later serves as the basis of cross-Strait interdependence. Hu's new policy thus expand the scope and appeals of economic interests and thereby dilute the effects of identity on views of the unification-independence issue, and subsequently strengthen the mainland's influences over Taiwan.[20]

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[17] See Chen-yuan Tung, "An Assessment of China's Taiwan Policy under the Third Generation Leadership," Steve Chan, "The Politics of Economic Exchange: Carrots and Sticks in Taiwan-China-U.S. Relations," and Shu Keng & Gunter Schubert, "Agents of Unification? The Political Role of Taiwanese Businessmen in the Process of Cross-Strait Integration."

[18] Shu Keng, "Limitations of China's Economic Statecraft: China's Favor-Granting Policies and Their Political Implications," pp. 12-16. For a full list of China's favor-granting policies, see Shengping Hu, "Hujingtao Zhuzheng xia Zhonggong Duitai Celue yu Chengben Pinggu" (An Assessment of the Effectiveness and Costs of China's Policy toward Taiwan under the Hu Jingtao), Paper presented at 2007 Annual Meeting of Taiwanese Political Science Association, Nov. 16-17, 2007 or check the press conferences held by China's Taiwan Affairs Office, http://www.gwytb.gov.cn/xwfbh.asp.

[19] Jenn-Hwan Wang, "*Shui Tongzhi Taiwan: Zhuanxing zhong de Guojia Jiqi yu Quanli Jieguo*"(Who Is Ruling Taiwan: State Apparatus and Power Structure in Transition), Taipei: Juliu Books, 1996, pp.

[20] Wu, "Taiwanese Elections and Cross-Strait Relations," 580-84.

Is Hu's New Policy an Effective Means to Modify Taiwanese Identity?

As argued earlier, China's new Taiwan policy was designed under the circumstance that official contacts and reciprocal dialogues are unavailable. As a result, China continued to focus its efforts on appeals to the Taiwanese people with tangible benefits, thereby influencing future Taiwan's policy toward China. Facing Hu's new policy, Taiwan has failed to develop an effective response for the following three reasons. First, most of the efforts to "expand benefits" requires only unilateral measures of China, and as such does not need cooperation from the Taiwanese government to be implemented.[21] As a practical consequence, Taiwan will have a difficult time supervising cross-Strait interactions or putting effective countermeasures into practice—it has no way to participate meaningfully in China's chosen course of action to ease the impacts of the strategy.

Secondly, China's strategy of expanding the benefits create groups of beneficiaries—this in turn will make it difficult for the Taiwan government to rebuff mainland's initiatives or otherwise foster popular resistance to these overtures. The Taiwanese government still describes all manner of offerings from China as its "plot" to ensure unification, regardless of the actual substance of the policy, but it has no way to prevent ordinary Taiwanese from wanting to obtain the benefits of China's cross-Strait initiatives.[22] And finally, regardless of the strategy that the mainland adopts, and regardless of whether the results are significant, there is another advantage from the mainland's point of view—as soon as the new policy was announced, China's image among Taiwanese quietly began to change. If one compares the past impression of most Taiwanese of China as a militaristic, bellicose power threatening the island's existence, to the present impression of a hand extending a check and aiding farmers, the positive effects of the policy are readily apparent.

Even so, after Hu's new Taiwan policy has been implemented for a couple of years, we still cannot properly assess its effectiveness and come to a conclusion whether the policy is working or not. In fact, researchers studying cross-Strait relations have been debating over the effectiveness of Hu's new Taiwan policy. Some scholars highlights China's rising economic strength and expanding cross-Strait exchanges exert gravitational forces on Taiwan.[23] These lead to Wei's famous functionist analysis and an expectation that cross-Strait relations will gradually move toward economic to political integration.[24] Contrary to this optimism, other scholars are more cautions. For example, Cal Clack challenges Wei's logic and argue that the cross-Strait relations is different the European model, for "the periodic crises between Beijing and Taipei demonstrate that the spillover of low politics into high politics has

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[21] See Ting-I Tsai, "The Beijing-Taipei Fruit Fracas," *Asia Times*, August 26, 2005, http://www.atimes.com/atimes/China/GH26Ad02.html.

[22] See "Editorial: DPP Must Act Now on Fruit Exports," *Taipei Times*, July 6, 2005, http://www.taipeitimes.com/News/editorials/archives/2005/07/06/2003262428.

[23] See Christopher M. Dent, "Being Pulled into China's Orbit? Navigating Taiwan's Foreign Economic Policy," *Issues & Studies* 37:5 (May 2001), pp. 1-34 and Paul J. Bolt, "Economic Ties Across the Taiwan Strait: Buying Time for Compromise," *Issues & Studies*, Vol. 37, No. 2 (2001/03), 80-105.

[24] See Yung Wei, "From 'Multi-System Nations' to 'Linkage Communities': A New Conceptual Scheme for the Integration of Divided Nations," *Issues & Studies* 33:10 (Oct. 1997), pp. 1-19.

been much more circumscribed in the Chinese case than in the European one."[25] Based on recent poll data, Shu Keng also finds that Hu's policy has it limits: "though Hu's policy does make considerable impacts on the image of China among the Taiwanese but have little or no effects on the identity of the Taiwanese, and thus is probably unable to reshape the future of cross-Strait relations in the direction China wishes."[26]

Empirical studies go further to explain why Hu's policy to modify the Taiwanese identity has not been very successful. For example, some scholars stress Taiwan's concerns and resistance over China's economic statecraft. [27] For other scholars, it is the "identify factor" that block Taiwanese from accepting the goodwill of the Chinese government. For example, according to Keng, Chen and Huang, for many Taiwanese, the economic exchanges with China is similar to "trading with the enemy."[28] And under such circumstance, judging whether China is an enemy is much more critical than calculating how much Taiwan can get from China. Still others argue that social contacts and economic exchange have achieved little in overcoming the differences over culture, social and political lives among the citizen in China and Taiwan. These deep-rooted differences matter significantly when the cross-Strait relationships transforming from economic cooperation to political unification.[29]

As argued earlier, economic interdependence across the Taiwan Strait has widely believed to be *the* factor that might reshape the future of cross-Strait relations and Hu's new Taiwan policy is obviously designed to expand such interdependence and create beneficiaries and ultimately reshape the identity of the Taiwanese involved. But still, without an appropriate analytical framework, we can not testify the above-mentioned arguments and make sense the effectiveness of China's economic statecraft. Therefore, in following section, I will address the reasons why we have not developed an effective analytical framework? In my view, the problem lies in the limitations of the integration theory often been looking forward for insights to understand the paces of cross-Strait integration.

III. Where Is Domestic Politics behind Cross-Strait Integration?: The Limitations of the Integration Theory

As mentioned earlier, the most popular model to observe the future of

[25] Cal Clack, "Does European Integration Provide a Model for Moderating Cross-Strait Relations?" *Asian Affairs*, Vol. 29, No. 4 (Winter 2003), pp. 195-215.

[26] Shu Keng, "Limitations of China's Economic Statecraft: China's Favor-Granting Policies and Their Political Implications"(*Jingji Niuzhuan Zhengzhi? Zhonggong "Huitai Zhengce" de Zhngzhi YIngxiang*)," *Wenti yu Yanjiu* (*Issues & Studies*), Forthcoming.

[27] For example, T. Y. Wang, "The Perception of Threats and Pragmatic Policy Choice: A Survey of Public Opinion in Taiwan," *Issues & Studies*, Vol. 41, No. 1 (2005/03), pp. 87-111 and Chyungly Lee, "Cross-Strait Economic Ties and Taiwan's Economic Security: An Analytical Framework from a Nontraditional Security Perspective," *Issues & Studies*, Vol. 43, No. 1 (2007/03), pp. 189-216.

[28] Shu Keng, Lu-Huei Chen & Kuan-Po Huang, "Sense, Sensitivity, and Sophistication in Shaping the Future of Cross-Strait Relations," *Issues & Studies*, Vol. 42, No. 4 (2006/12), pp. 23-66.

[29] For example, Chien-Min Chao, "Will Economic Integration between Mainland China and Taiwan Lead to a Congenial Political Culture?," *Asian Survey* 43:2 (2003), pp. 280-304 and Zhi-Dong Hao, "Obstacles to Integration: What Would It Take to Reconcile People on the Two Sides of the Taiwan Strait?" *Issues & Studies*, Vol. 42, No. 1 (2006/03), pp. 47-80.

cross-Strait relations is still the experiences of European integration.[30] Scholars such as Wei Yong and Cal Clack have been debating over the applicability of the European model. But I will argue in this section that the European model is not applicable not because the situation in Europe and cross-Strait are too different, but because of the limitation of the integration theory itself. Due to this limitation, according to my analysis, the integrationist framework fails to establish the linkage between societal interests nurtured in cross-Strait transactions and contacts and the policy outcomes proposed by a democratic government. As a result, when talking about the future of cross-Strait relations with "political separation with economic integration," the integrationist framework often results in more confusion than clarification.

The most remarkable feature to borrow insights from the integrationist framework is the discrepancies among the authors applying the framework: different authors often arrive at conclusions that are diametrically opposed to each other. For example, Chan & Clark underscore the effects of trade, investment, tourism, and other forms of people-to-people contacts, expecting that such contacts may sooner or later lead to official negotiations and most likely to integration between the two sides of the Strait.[31] Following the same line, Yung Wei goes farther to claim that cross-Strait linkages grounded in non-official contacts would finally result in the unification of the two divided nations.[32] On the other hand, according to Hsin-hsing Wu, "[t]here is no evidence of a spill-over effect in the Chinese case: economic integration shows no

[30] For example, Zhang Ya-zhong, *Liang'an Tonghe Lun* (On Cross-Strait Integration, Taipei: Shengzhi, 2000); Hsin-hsing Wu, *ibid*. Hsin-Hsing Wu, *Zhenghe Lilun yu Liang'an Guanxi zhi Yanjiu* (The Study of Integration Theory and Cross-Strait Relations, Taipei: Wunan, 1995); Ralph Clough, *ibid.*; Cal Clark, "Does European Integration Provide a Model for Moderating Cross-Strait Relations?" *Asian Affairs*, 29: 4 (Winter, 2003), pp. 195-215; Cal Clark, "Prospects for Taiwan-China Economic Relations under the Chen Shui-bian Administration," *American Asian Review*, 19: 1 (Spring, 2001), pp. 27-53; Cal Clark, "The China-Taiwan Relationship: Growing Cross-Strait Economic Integration," *Orbits*, 46: 4 (Fall, 2002), pp. 753-766; Qingxin Ken Wang, "Taiwanese NGOs and the Prospect of National Reunification in the Taiwan Strait," *Australian Journal of International Affairs*, 54: 1 (Jan. 2000), pp. 111-124; Gerald Chan, "Cross-Strait Relations: Classical Realism Meets Neo-Functionalism," Paper presented at the Conference on the "Theory and Practice of IR Study," Taipei, July 5; Larry Yu & Moo Hyung Chung, "Tourism as a Catalytic Force for Low-Politics Activities between Politically Divided Countries: The Cases of South-North Korea and Taiwan-China," *New Political Science*, 23: 4 (2001), pp. 537-545; Pablo Bustelo, "Trade Integration in the Chinese Economic Area and Its Implications for Taiwan: A View from Southern Europe," in *European and Asia-Pacific Integration: Political, Security, and Economic Perspectives*, Yu-ming Shaw, ed. (Taipei: IIR, 1998), pp. 85-97.

[31] Steve Chan & Cal Clark, "The Mainland China-Taiwan Relationship: From Confrontation to Interdependence?" in *Inherited Rivalry: Conflict across the Taiwan Strait*, Tun-Jen Cheng, Chi Huang, & Samuel S. G. Wu, eds. (Boulder, CO: Lynne Rienner, 1995), pp. 47-62. See also Shu Keng, "Understanding the Political Consequences of People-to-People Relations across the Taiwan Strait: Towards an Analytical Framework," *Chinese History and Society*, No. 32 (Jun. 2007), pp. 63-80.

[32] Yung Wei, *ibid*.

signs of leading to political reconciliation."[33] Likewise, Jean-Pierre Cabestan also asserts that those cross-Strait people-to-people contacts will never exceed the limitations set by the governments of the two sides of the Strait.[34]

Why do these authors draw conflicting conclusions regarding the future prospects for the cross-Strait relationship? Once we look into their arguments, we shall find that these scholars are actually borrowing from different variants of integration theories for their analyses of the cross-Strait relationships. Those who underline the bright side of the story usually ground their forecasts in "Communication Theory,"[35] while those who stress the dark side often refer to the "Neo-functionalism" as the source of insight.[36] Even though both theoretical frameworks draw from the integrationist view, there is significant inconsistency in their expectations over the future of cross-Strait relations. In other words, the disagreements among scholars do not arise from their efforts to apply the integration theory but from an inconsistent integration theory itself. It is the uniqueness of the cross-Strait case—economic convergence with political divergence—that brings such a discrepancy to light.

If we go back for a closer look at the integrationist perspective itself, we shall easily distinguish the two theoretical variants in this theoretical tradition: one is "society-centered" and the other "state-centered."[37] The former approach normally draws attention to the common interests created in the process of making trans-border contacts and transactions. In other words, this perspective believes in the influences of the objective "interest structure" in the shaping of policy outputs and final political integration. The representative of this society-centered view in the integrationist

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[33] Hsin-hsing Wu, "The Political Economy of ROC-PRC Relations," *Issues & Studies*, 31: 1 (Jan. 1995), p. 62.

[34] Jean-Pierre Cabestan, "The Cross-Strait Relationship in the Post-Cold War Era: Neither Re-unification Nor 'Win-Win' Game," *Issues & Studies*, 31: 1 (Jan. 1995), pp. 27-50.

[35] For example, Yung Wei, Cal Clark, Zhang Yazhong; see the works cited above.

[36] For example, Hsin-hsing Wu and Jean-Pierre Cabestan; see the works cited above.

[37] The core literature includes Ernst B. Haas, "The Study of Regional Integration: Reflections on the Joy and Anguish of Pre-theorizing," *International Organization*, 24: 4 (Autumn, 1970), pp. 607-646; Ernst B. Haas, "Turbulent Fields and the Theory of Regional Integration," *International Organization*, 30: 2 (Spr. 1976), pp. 173-212; Michael G. Huelshoff, "Domestic Politics and Dynamic Issue Linkage: A Reformulation of Integration Theory," *International Studies Quarterly*, 38: 2 (Jun. 1994), pp. 255-279; Leon N. Lindberg, & Stuart A. Scheingold, eds. *Regional Integration: Theory and Research* (Cambridge, MA: Harvard University Press, 1971); Kenneth J. Twitchett, & Carol Cosgrove Twitchett, eds. *The New International Actors: The United Nations and the European Economic Community* (London: Macmillan & New York: St. Martin's, 1970); A. J. R. Groom & Paul Graham Taylor, eds. *Functionalism: Theory and Practice in International Relations* (New York: Crane, Russak, 1975); A. J. R. Groom, & Paul Graham Taylor, eds. *Frameworks for International Co-operation* (New York: St. Martin's Press, 1990); David Long, & Lucian M. Ashworth, eds. *New Perspectives on International Functionalism* (Basingstoke, Hampshire, UK: Macmillan & New York: St. Martin's, 1999)

approach is undoubtedly Karl Deutsch's "Communication Theory."[38] By contrast, the state-centered variant in the integration tradition usually emphasizes the role of politics and leadership, arguing that the flows of transactions are just the very first step toward integration. The true integrative process is the result of specific decisions and arrangements made by government actions and/or political elites. In other words, the policy outputs not only reflect societal interests but also play an essential role in creating the framework within which pro-integration interests can be generated. Therefore, the very premise of integration is the commitments of political elites. The precursor of the logic is without doubt Ernst Hass's Neo-functionalism.[39] By contrasting the two competing theoretical formulations in the integrationist approach, we can easily locate the core of the disagreements between them: whether the existing pro-integration social interests would be transformed into pro-integration policy outputs under a democratic government.

These unsolved disputes between the two theoretical variants suggest that integration theory lacks a well-specified model for the dynamics of domestic politics. That is the reason why integration theorists cannot agree upon whether and under what circumstances the existing societal interests may affect formal policies toward each other and whether the current cross-Strait situation will end up with integration/ unification. Since the integrating process derives dynamism from the demands at the sub-nation level to the mutual assimilation at the state-to-state level, the integrationist framework involves not just a model of international relations but also a model of comparative politics. Unfortunately, early constructors of integration theory did not pay enough attention to the domestic dimension.[40] The result is the different

[38] Karl W. Deutsch, *et al*., *Political Community and the North Atlantic Area: International Organization in the Light of Historical Experience* (Princeton, NJ: Princeton University Press, 1957); Richard L. Merritt, & Bruce M. Russett, eds., *From National Development to Global Community: Essays in Honor of Karl W. Deutsch* (London: Allen & Unwin, 1981); Bruce M. Russett, "Transactions, Community, and International Political Integration," in *Power and Community in World Politics*, Bruce M. Russett (San Francisco: W. H. Freeman, 1974), pp. 325-345; Dina A. Zinnes & Robert G. Muncaster, "Transaction Flows and Integrative Processes," in *Communication and Interaction in Global Politics*, Blaudio Cliffi-Revilla, Richard L. Merritt, & Dian A. Zinnes, eds. (Beverly Hills, CA: Sage, 1987), pp. 23-48.

[39] Ernst B. Haas, *The Uniting of Europe: Political, Social, and Economic Forces, 1950-1957* (Stanford, CA: Stanford University Press, 1958); Ernst B. Haas, *Beyond the Nation-State: Functionalism and International Organization* (Stanford, CA: Stanford University Press,1964); Joseph S. Nye, *Peace in Parts: Integration and Conflict in Regional Organization* (Boston: Little, Brown, 1971); Amitai Etzioni, Political Unification: A Comparative Study of Leaders and Forces (Huntington, NY: Krieger, 1965); Philippe C. Schmitter, "Three Neo-Functional Hypotheses about International Integration," *International Organization*, 23: 1 (Winter, 1969), pp. 161-166.

[40] See recent efforts to revise the integration theory, such as Michael G. Huelshoff, "Domestic Politics and Dynamic Issue Linkage: A Reformulation of Integration Theory" and for the cross-Strait case, see Steve Chan, "The Politics of Economic Exchange: Carrots and Sticks in Taiwan-China-U.S. Relations" and Shu Keng, "Understanding the Political Consequences of People-to-People Relations across the Taiwan Strait: Towards an Analytical Framework."

estimations of the effects of civil contacts and the contradictory predictions regarding the prospects for the cross-Strait relations.

After bringing to light the limitations of integration theory, George Yu and Paul Bolt suggested that "[m]uch more research is needed ….. [m]ost useful would be further studies in both the mainland and Taiwan on how ***group pressures*** for good cross-Strait relations that arise out of cross-Strait contexts affect the ***policy-making processes and outcomes*** in both Beijing and Taipei."[41] Therefore, for a better understanding of the integration across the Taiwan Strait, a framework with a well-specified linkage between "social interests" and "policy outputs" is absolutely essential. An analytical framework with a specified model on such a policy process will be proposed in the following section.

IV. From Interests to Identity and from Economics to Politics: Observing the "Linkage Communities" across the Taiwan Strait

The explanatory framework for the integrationist approach, as pointed out earlier, lacks a clear causal linkage between "societal interests" and "policy outputs." Reestablishing such a linkage thus becomes a decisive step for the better understanding of the pace of integration and the effects of social contacts and economic exchanges on the prospects for cross-Strait relations.

My efforts to reestablish the above-mentioned linkage are grounded on the "policy network" perspective which highlights the relationships between social groups and the connected governmental agencies. With this framework, we can put together the linkage missing in the integrationist approach. The "policy network" perspective was first exemplified in Peter Katzenstein's studies on European industrial policies.[42] According to him, a "policy network" (or in similar fashion, a "policy community" and a "policy sub-system") is an analytical scheme for different forms of interest articulation, mediation, and integration, thus forming functional interdependent relationships between state (especially governmental agencies) and society (especially interest groups) in the policy-making process.[43] Behind this

[41] George T. Yu & Paul J. Bolt, "Taiwan-Mainland China Relations in the 1990s: Integration Theory, Competitive Politics, and Prospects for Reunification," in *Taiwan on the Move: Conference Proceedings*. Jeh-hang Lai & George T. Yu eds. (Taoyuan: Institute of History, National Central University, 1998), p. 580. The emphases are added by the author.

[42] Peter J. Katzehnstrin. "Conclusion: Domestic Structures and Strategies of Foreign Economic Policy," in *Between Power and Plenty: Foreign Economic Policies of Advanced Industrial States*, Peter J. Katzenstein, ed. (Madison, WI: The University of Wisconsin Press, 1978), pp. 295-336, esp. pp. 306-323.

[43] The three seminal papers on the concept are Peter J. Katzehnstrin. "Conclusion: Domestic Structures

conceptual framework, there are two assumptions regarding the process of policy formation. First, there is a close relationship, usually being characterized as a partnership, between public authorities and societal actors. Secondly, the process of policy formulation is limited to interactions between public authorities and a specific group of social actors (i.e., the "policy sub-system," organized through what Hugh Heclo called "issue networks").[44] Given these two assumptions, the "policy network" perspective then focuses on the interests of "societal actors" and the actions of "state agents," and especially the interactions between them.[45]

Guided by the "policy network" perspective, we can now draw our attention to: (1) the multiplication of "advocacy/interests groups"(those who share similar political agenda/policy preferences and thus being conceptualized as a "community") and (2) the relationship between these "advocacy coalition" and decision-making agencies, and (3) outside constraints on the relationship, such as the forces of international system. Taking these issues into account, we can then map out an analytical framework. This proposed framework, named by Yung Wei as the "linkage communities," can help bring together "social interests" to "governmental policies"

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and Strategies of Foreign Economic Policy," pp. 295-336; Hugh Heclo, "Issue Networks and the Executive Establishment," in *The New American Political System*, Anthony King, ed. (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1979), pp. 87-124; Jack Hayward, "The Policy Community Approach to Industrial Policy," in *Comparative Political Dynamics: Global Research Perspectives*, Dankwart A. Rustow, & Kenneth Paul Erickson, eds. (New York: HarperCollins, 1991), pp. 381-407. Other relevant works include Patrick Kenis & Volker Schneider, "Policy Networks and Policy Analysis: Scrutinizing a New Analytical Toolbox," in *Policy Networks: Empirical Evidence and Theoretical Considerations*. Bernd Martin & Renate Mayntz, eds. (Frankfurt: Campus Verlag & Boulder, CO: Westview, 1991), pp. 25-59; David Knoke, et al. *Comparing Policy Networks: Labor Politics in the U.S., Germany, and Japan* (Cambridge & New York: Cambridge University Press, 1996); Martin J. Smith, *Pressures, Power and Policy: State Autonomy and Policy Networks in Britain and the United States* (New York: Harvester-Wheatsheaf, 1993); David Marsh, ed., *Comparing Policy Networks* (Buckingham, UK & Philadelphia, PA: Open University Press, 1998); David Marsh & R. A. W. Rhodes, eds., *Policy Networks in British Government* (Oxford & New York: Clarendon Press of Oxford University Press, 1992); R. A. W. Rhodes, *Understanding Governance: Policy Networks, Governance, Reflexivity, and Accountability* (Buckingham, UK & Philadelphia, PA: Open University Press, 1997); R. A. W. Rhodes, *Beyond Westminster and Whitehall: The Sub-central Governments of Britain* (London: Unwin, Hyman & Winchester, MA: Allen & Unwin, 1988); Carsten Daugbjerg, *Policy Networks under Pressure: Pollution Control, Policy Reform, and the Power of Farmers* (Aldershot, UK: Ashgate, 1998).

[44] Hugh Heclo, "Issue Networks and the Executive Establishment."

[45] These social actors can be understood as the advocacy or interest groups, see Paul A. Sabatier & Hank C. Jenkins-Smith, "The Advocacy Coalition Framework: An Assessment," in Paul Sabatier ed., *Theories of the Policy Process*, Boulder, CO: Westview, 1999, pp. 117-166, Paul A. Sabatier & Hank C. Jenkins-Smith eds., *Policy Change and Learning: An Advocacy Coalition Approach*, Boulder, CO: Westview Press, 1993 and some application of the "advocacy coalition perspective," such as Christopher M. Weible, "Beliefs and Perceived Influence in a Natural Resource Conflict: An Advocacy Coalition Approach to Policy Networks," Political Research Quarterly, Vol. 58, No. 3 (Sep., 2005), pp. 461-475, Christopher M. Weible, "An Advocacy Coalition Framework Approach to Stakeholder Analysis: Understanding the Political Context of California Marine Protected Area Policy," Journal of Public Administration Research and Theory: J-PART, Vol. 17, No. 1 (Jan., 2007), pp. 95-117 and Ken Lertzman, Jeremy Rayner, Jeremy Wilson, "Sabatier's Advocacy Coalition Framework," Canadian Journal of Political Science, Vol. 29, No. 1 (Mar., 1996), pp. 111-133.

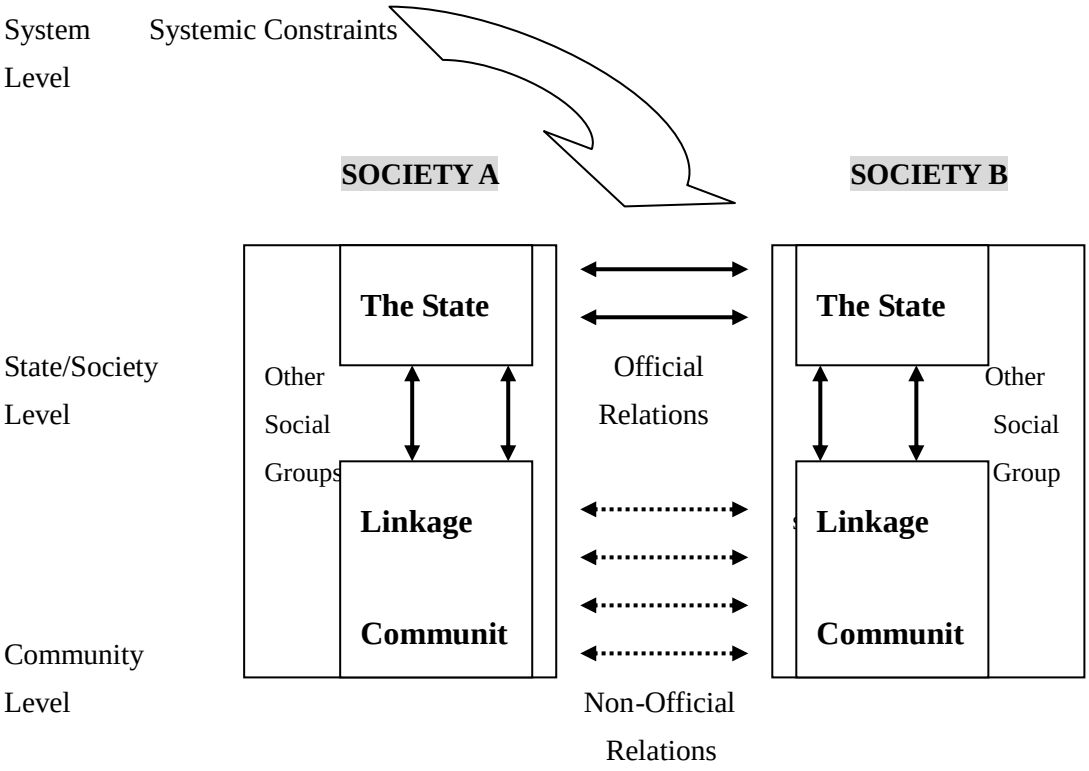
by taking the following three levels of variables into account. The first level of variables centers on the development and organization of such "linkage communities." The framework is concerned with the size, the resources, and the organizational effectiveness of the community.

As for the second level of variables, most have a lot to do with state-society relations, including the linkage communities' access to the state, the relative power of the affiliated or rival groups(being potentially allies and foes), and the interests of the state itself. These variables together decide the dynamics of domestic politics and the structure of the policy process. The last level of variables involves the features of the international context within which state-to-state relations take place. These systemic factors may also constrain or empower the influences of the domestic "linkage communities." In other words, these three levels of variables may influence but also influenced by the variables at different levels. These variables together constitute the framework for evaluating the weight of the "linkage communities" generated by the cross-strait contacts and exchanges in influencing the official relations between two political entities.[46] This new framework, as illustrated in Figure One, thus serves our purpose to better understand the prospects of cross-Strait relations.[47]

[46] Please refer to Yung Wei, "From 'Multi-System Nations' to 'Linkage Communities': A New Conceptual Scheme for the Integration of Divided Nations," pp. 5-9.

[47] When designing this framework, I also refer to the works of Thomas Risse-Kappen, "Bringing Transnational Relations Back In: Introduction," in *Bringing Transnational Relations Back In: Non-state Actors, Domestic Structures and International Institutions*, Thomas Risse-Kappen ed., Cambridge & New York: Cambridge University Press, 1995, pp. 3-33 and Margaret E. Keck & Kathryn Sikkink, "Transnational Advocacy Networks in International Politics: Introduction," in *Activists Beyond Borders: Advocacy Networks in International Politics*, Ithaca, NY: Cornell University Press, 1998, pp. 1-38.

Figure One Linkage Community Framework for the Analysis of Cross-Strait Relations



SOURCE: Adapted from Wei 1997, p. 7 with considerable modifications.

This new analytical framework proposed in this paper is adapted from Yung Wei's earlier model of "linkage communities," but Wei's formulation is very simple and straightforward. According to Wei, the concept of "linkage communities" refers to the "groups of people who have had extensive social, cultural, commercial, or other types of contacts with the people … of the opposite system that they have developed an understanding, sensitivity, and empathy with the people…across system boundaries."[48] Wei's original formulation of the framework has both its strengths and weaknesses. It is valuable because it suggests that "[i]nstead of focusing our attention on the role of the state, the problems of sovereignty, the decisions of the elite, the legal process, and the political structure, we will turn more to the orientation of the population, the development of shared values and norms ***between people of different systems***."[49]

[48] Yung Wei, "From 'Multi-System Nations' to 'Linkage Communities': A New Conceptual Scheme for the Integration of Divided Nations," p. 7.
[49] Yung Wei, "From 'Multi-System Nations' to 'Linkage Communities': A New Conceptual Scheme for the Integration of Divided Nations," p. 8.

Wei's conceptual framework is clearly derived from the wisdom of "exchange theory" of Karl Deutsch. At the same time, however, his original formulation of the framework is also crippled by the weakness of that theory. According to Wei, simply by identifying and assessing the size of "linkage community" (as percentage of the total population), we shall get an approximate estimation regarding the development of integration/unification between the two societies across the Strait.[50] But this certainly cannot explain the paradoxical "political separation with economic integration" we are facing. Social contacts and economic exchanges cannot guarantee political integration. We cannot focus on the size of the "linkage communities" only; we need to take into account of the resources and organization of these groups, their relationships with other groups and the state, and constraints from the international system. Since the story is much complicated, we need to improve Wei's original formulation of the framework.

In light of our "policy network" perspective, Wei's "linkage communities" can be understood as the "pro-integration interests" generated in the process of cross-border contacts and transactions. As argued before, however, these societal interests do not turn into policy outputs automatically. We still need a framework of domestic politics to follow the course of how those interests are channeled into policy processes and converted into policy outcomes. Such a three-level framework—which can be seen as an extension of Wei's original formulation—has been briefly spelled out in the previous section. The modified model of "linkage communities" can also be further illustrated as the following Table One.

Table One Key Variables in the "Linkage Communities" Framework

Community Level (Org. of People with Same Pol. Agenda)	Scale of the Linkage Communities	Resources of Linkage Communities	Solidarity of Linkage Communities
State/Society Level (Policy Making)	Structure of Accesses to the state of LC	Influences of Rival/ Affiliated Groups	Interests of the State Itself
Systemic Level (Outside Constraints)	Global Security Concerns	Global Economic Competition	

[50] Yung Wei, "From 'Multi-System Nations' to 'Linkage Communities': A New Conceptual Scheme for the Integration of Divided Nations," pp. 7-9 & p. 15.

V. Conclusion: Looking Beyond the Framework

As pointed out at the beginning of the paper, students of cross-Strait relations have been debating over the political consequences of growing economic exchanges and social contacts across the Taiwan Strait: Whether these linkages may pave the way for final in the end? Those who stick to the earlier integrationist framework would often disagree with each other over the "spillovers" from socio-economics to politics. The paper thus borrows insights from the policy networks perspective and focus on the "linkage communities" to help observe how interest-driven socio-economic transactions may transform into identity-based political allegiance and in the end bring about political leverage. With this new framework, we should be able to clearly observe both the effectiveness of China's new policy and the consequences of cross-strait exchanges.

But still, we need further research to specify the parameters included in the framework. For example, to observe the development of the "linkage communities," we need a social psychological model to observe the identity shift of the people involved in cross-Strait interactions. That model can tell us the relations between the pre-existing identity of the person involved and the influences from his or her contact experiences and material interests. We also need information about the material and non-material resources maneuvered by the members of the "linkage communities" and the organization of the "linkage communities"—which is another type of "resources" owned by the members. In addition, we also need a model of the socioeconomic structure and state-society relations of the political entity being analyzed. Factors related to the socioeconomic structure include the physical endowments and international competitiveness of major economic sectors while related to state-society relations include the political institutional setting, the ideological composition and the autonomy and strength of the state vis-à-vis society.

Finally, factors related to external constraints would include the interests and policies of US, China and Taiwan—the so-called "strategic triangular relationship." In addition, the global economic trends such as China's rise as an economic giant, and regional economic arrangements, such as "ASEAN plus One," also need to be included to make sense the facilitating or blocking forces from the international system. Once all major factors are taken into account,

we should be able to be in a much better position to make sense the future prospects of cross-Strait relations.