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Globalization and Security:  
Implications for Cross-Strait Relations

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Implications for China-Taiwan Relations

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## Abstract

This thesis examines the relationship between the globalization process and its impact of security, applying its findings to the case of the cross-Strait relationship. The cross-Strait relationship can be characterized by a puzzling dichotomy of high tensions and the very real danger of military conflict on the one hand, and rapid economic integration into broader globalizing trends on the other. Although the conflict between the two sides can be seen to have stemmed from the Chinese Civil War of the 1940's, the situation intensified during the post-Cold War years in the backdrop of China's opening up policy and Taiwan with its own economic achievements, Taiwan's democratic processes, and the rise of a Taiwanese identity, suggesting the forces of globalization were largely at play.

This thesis argues that the relationship between the globalization process and international security are of increasing importance in helping us to better understand developments at the international level in general. This thesis will apply these findings to focus specifically on the China-Taiwan dilemma, examining the effect globalization has had on cross-Strait relations analyzing economic globalization as well as other dimensions linked to the globalization process such as Taiwan's democratization, and a rise in Taiwanese national identity.

**Keywords:** Globalization, Security, Cross-Strait Relations, Taiwan, China

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## 1. Introduction

Since the election of President Tsai Ing-wen of the Democratic Progressive Party (DPP) in January 2016, the Taiwan-China issue has increasingly emerged as one of the key areas of concern in the security of the Asia Pacific region, as well as within the wider context of the study of international relations. Tsai was elected in a landslide victory on the back of a campaign in which she vowed to reduce dependency on China, as well as refuse to embrace the idea that Taiwan and mainland China are part of 'one China'. During her acceptance speech, Tsai declared that; "Once again, the people of Taiwan have shown the world through our actions that we, as a free and democratic people, are committed to the defence of our freedom and democracy as a way of life. Each and every one of us participated in this journey. My dear fellow Taiwanese, we did it" (Office of the President Republic of China, 2016). Tsai also vowed to maintain the *status quo* in Taiwan's relations with China, deliberately avoiding direct mention of the 1992 Consensus – a formulation for cross-Straits relations that Beijing holds as the threshold for sustaining official dialogue between the two sides.

The landslide victory of the DPP in the polls brought an end to the Presidency of the KMT held by Ma Ying-jeou from 2008-2016. The approach Taiwan had taken under President Ma had seen the two sides form closer ties on the basis of a continued dialogue on the unification issue, as well as from a policy of sustained economic pragmatism whereby both sides benefit. This rapprochement with China culminated in a historic meeting in Singapore with the Chinese president, Xi Jinping. During the meeting, both sides spoke about replacing conflict with dialogue, whilst Xi told his Taiwanese



counterpart that “we are one family... we are brothers who are still connected by our flesh even if our bones are broken” (Dittmer, 2017). The summit represented a high point in a seven-year rapprochement between Taipei and Beijing that began with Ma's election to office in 2008. The 2016 electoral victory of President Tsai was seen by many that as a rejection of closer integration with authoritarian China, with Taiwanese voters instead supporting Tsai's vow to reduce dependence on China.

President Tsai's first three years in office have already signalled that she is not willing to accommodate Beijing's wishes despite warning her to abandon her “hallucinations of independence” (Pomfret, Miller, Blanchard, 2016). Her determination to increase space in the international arena for Taiwan as shown by the Trump-Tsai phone call shortly after the United States Presidential electoral victory in 2016 has once more signalled a changing shift in the power dynamics of cross-Strait relations, bringing in other players such as the United States. A newly assertive China also brings fresh challenges to the cross-Strait scene. Central to the increasing assertiveness of China is its commitments to its 'core interests', one of which is claiming Taiwan. Beijing regards its core national interests as the red line not to be violated. Once encroached upon, China would have no hesitation in retaliating through military means. Indeed, only in January 2019, President Xi once again reiterated “we do not promise to renounce the use of force and reserve the option to use all necessary measures” – to prevent Taiwanese independence (Lee, 2019). This indicates that China's core interests are not subject to negotiation, and could be defended by military force if necessary. Increasingly we can see a shift in the security dynamics of cross-Strait relations. A combination of Chinese assertiveness in the region, plus changing Taiwanese views on

sovereignty and identity issues led by a DPP government will bring a number of challenges to cross-Strait relations in the coming years.

The accommodative policies of President Ma led to such an unprecedented level of stability in cross-Strait relations that the Taiwan issue faded considerably from the radar screens of scholars and security analysts. However, despite those eight years of relative calm, the Taiwan issue is making a comeback. Speaking in 2016 to describe cross-Strait relations under the DPP, President Xi decreed: "when the foundations are not stable, the earth moves and the mountains shake" (基礎不牢，地動山搖) jichubulao, didongshanyao - (Duchâtel, 2017). Although the earth has yet to be shaken, the potential of an armed conflict is slowly building up again potentially bringing the United States and China into full military confrontation with each other. Scholars such as Kastner point out that future trends could "evolve in a way that again increases the danger of military conflict. In particular, a changing balance of military power in the Taiwan Strait has the potential to be highly destabilizing if it overtakes other trends such as economic integration" (Kastner, 2017).

The cross-Strait relationship can be characterized by a puzzling dichotomy of high tensions and the very real danger of military conflict on the one hand, and rapid economic integration into broader globalizing trends on the other. Although the conflict between the two sides can be seen to have stemmed from the Chinese Civil War of the 1940's, the situation intensified during the post-Cold War years of the 1990s in the backdrop of China's opening up policy (改革開放, gaige kaifang), and Taiwan's own

economic achievements, democratization, and the rise of a separate Taiwanese identity, suggesting the forces of globalization were largely at play. This thesis argues that the relationship between the globalization process and international security are of increasing importance in helping us to better understand developments at the international level in general. It will then go on to apply these findings to focus specifically on the China-Taiwan conflict, examining the effect globalization has had on cross-Strait relations analysing economic globalization as well as other dimensions linked to the globalization processes such as Taiwan democratization and a rise in Taiwanese nationalism.



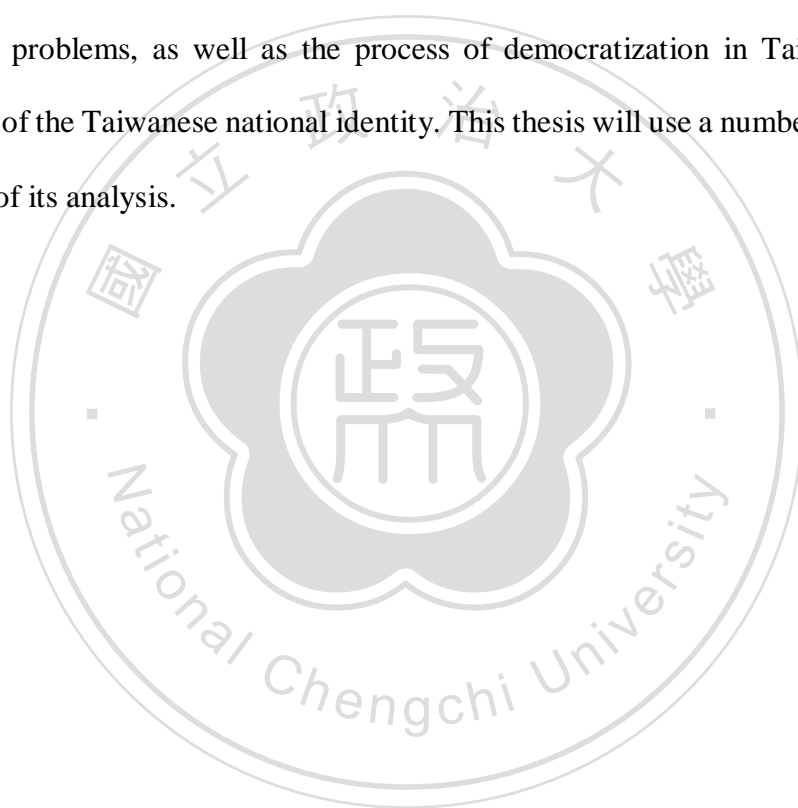
## 1.1 Aim of this Thesis

The aims of this thesis are several. The main aim is to make a link between the process of globalization and a possible impact it has had on state security. Assuming that globalization *has* had a variety of effects on domestic and foreign policy issues that governments face, I will then aim to use this theory to examine the cases of both China and Taiwan, before going on to analyse how the globalization process had directly impacted cross-strait relations. Thus, the aim of this thesis will be to show clearly how the globalization process has altered the security dynamics of cross-Strait relations.

International security and globalization are topics that already feature heavily in international relations publications. However, despite substantial publishing of literature on both topics, there has only been a small amount of research undertaken that interconnects the two. The connection between the two that is of vital importance in developing a deeper understanding of international conflict. Globalization has had a variety of effects on domestic and foreign policy issues that national governments face; in turn this serves to influence the security environment of inter-state relations. It is these two areas combined that this thesis will pay particular focus to.

## 1.2 Structure of this Thesis

This thesis will be divided into a number of sections. Firstly, such is the nature of globalization and its status as a buzzword, a clear definition is needed to be reached having reviewed the relevant literature. I will then analyse the process of globalization and its consequences for national governance and thus, national and international security. Following that, I will connect the globalization process to the domestic situation in both China (PRC) and Taiwan (ROC), paying particular attention to China's internal problems, as well as the process of democratization in Taiwan and to the forging of the Taiwanese national identity. This thesis will use a number of case studies as part of its analysis.



### 1.3 Research Question

The main research question for this thesis can be formulated as:

- *'What impact has globalization had on the security of states, and in turn, what impact has this had on relations between China and Taiwan?'*

To narrow this down and answer it suitably, several sub-questions will be considered.

These are:

- *How can we define the term 'globalization' in the context of international relations?*
- *What impact has globalization had on national and international security?*
- *How are domestic developments affected by the globalization process in China and Taiwan influencing cross-strait relations?*

## 1.4 Research Methods

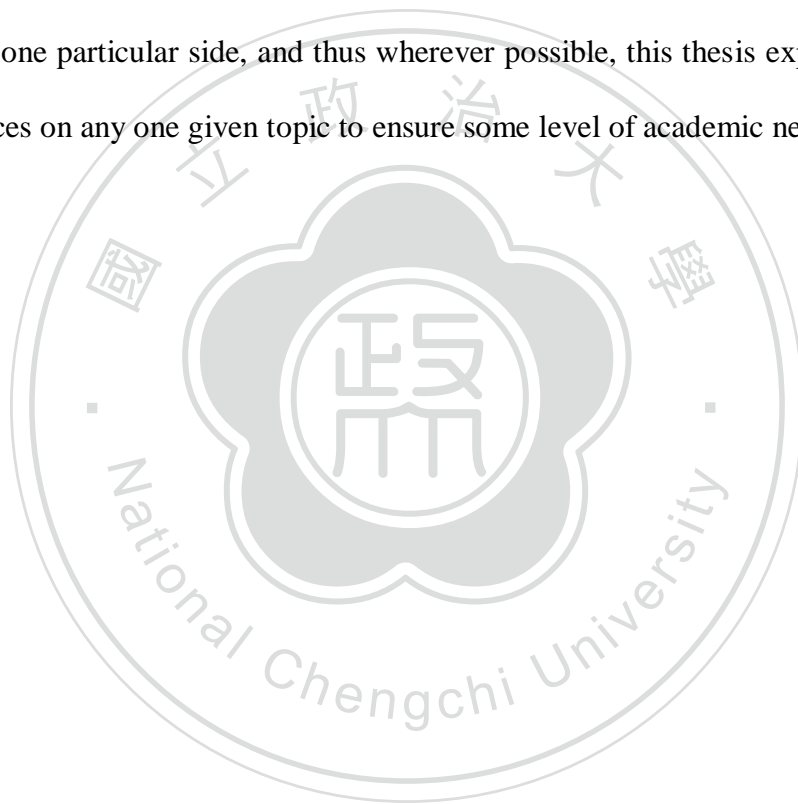
This part of this thesis highlights the research methods used. The method this thesis adopted with regards to its research methods was largely *qualitative* in nature as this was considered the most suitable way to answer its central research questions. The research undertaken with respect to this thesis involved studying and analysing an extensive amount of relevant literature in the form of journal articles, book chapters, newspaper articles, and some reputable international relations focused websites. As such, the proposed research took the form of new research but on an existing research subject.

This research explored the impact that the globalization process is having on state security. To fully understand the impact of globalization on security, it was imperative to draw on numerous studies on globalization theory first before linking this directly with the impact that globalization has had on state security. This involved paying particular attention to renowned globalization scholars like Kenichi Ohmae, whose work was referenced multiple times throughout this thesis. The concept of state security was also widely researched to form the main base of this thesis. Both globalization and security are widely discussed topics in international relations, so there was ample literature available in which to adequately research these two topics.

Chapters three and four also called upon traditional research methods such as reviewing journals and book chapters focused on the cross-Straits relationship. Furthermore, as is the ever-changing nature of the cross-Straits relationship, it was essential to keep abreast

of new developments impacting the relations of both sides across the Strait. In order to achieve this, the author kept informed via renowned news websites as well as international relations publications such as foreign affairs and foreign policy. More traditional sources were also used to establish an understanding of the dynamics of the cross-Strait relationship as well as the history of both Taiwan and China.

When researching this topic, it was imperative to keep in mind potential bias for or against one particular side, and thus wherever possible, this thesis explored a number of sources on any one given topic to ensure some level of academic neutrality.





## 2. Literature Review

The aim of this literature review is to understand my chosen topic as well as to develop my own ideas surrounding my chosen topic. Not only will I be trying to understand what the literature shows us, providing an overview, but I also aim to present key concepts and introduce the most important works in this chosen academic field. Ultimately, I will try to answer the following question: *What does the existing literature show us?* I will attempt to answer this by describing, summarizing, and evaluating the relevant literature, identifying areas of controversy before going on to draw my own conclusions. The literature will mainly consist of peer-reviewed journal articles, books, official government documents, and popular media. In keeping with good academic practise, this literature review will try and focus on newly published works wherever possible.

The literature review will begin by studying the concept of globalization as a whole before going on to link it more specifically with international security. It is imperative for this study that globalization is adequately analysed as a stand-alone subject and understood before moving on to make connections with international security, and in turn its implications for cross-Strait relations. Once the relevant globalization literature is assessed, I will then move on to make connections with the globalization process's impact upon international security. Thus, this literature review can be roughly divided into two parts:

- I. What is globalization?
- II. How is globalization impacting security?

## 2.1 What is Globalization?

Globalization is often referred to by scholars as a process, a policy, a marketing strategy, or even an ideology (Heywood, 2002). In reality the notion of globalization as a force in international relations is difficult to reduce to a single theme, therefore labelling globalization with a clear definition can be problematic. However, what we can be sure of it that globalization and the forces that accompany it have drastically altered the world we live in, bringing consequences of crucial importance to the politics of inter-state relations. Globalization is a phrase often overused in international relations literature as well as in the mass media. The term has been so loosely thrown around in recent years that it has in fact become little more than a hollow buzzword. The next part of this literature review will therefore try to clearly define the term globalization in context to the effect it has had on the governance of nation states, and thus international security.

The globalization debate intensified in its significance to international relations in the 1980's, and since then it has been a constant source of academic debate amongst scholars. One of the earliest attempts to define globalization was by Kenichi Ohmae (1990) in the publication 'The Borderless World'. In his study on globalization, it is presented as a "borderless world" whereby economic distinctions between countries became increasingly blurred and open to influences outside traditional national boundaries. In The Borderless World, Ohmae asserts that "...national borders have effectively disappeared and, along with them, the economic logic that has made them useful lines of demarcation in the first place" (Ohmae, 1990: 172).

As well as the economic implications of globalization, Ohmae also implied that divisions between people previously separated by time and space have become less significant in a globalized world and are sometimes completely irrelevant. Scholte (2001) also argues that globalization is linked to the growth of ‘super-territorial’ relations between people. He describes this as being a reconfiguration of social space in which territory matters less due to an increasing range of connections harbouring ‘transborder’ or ‘transworld’ characteristics. Scholte (2005: 602) also offers other brief definitions of globalization, defining it as the development of a global society, emphasizing other factors such as the increasing internationalization between product and capital and the international division of labour. Increasingly, after careful study of the literature we can see the dynamics of globalization as a central concern in international relations.

Such is the nature of globalization and the many contradictions that surround it; a clear, concise definition is thus hard to reach. However, one of the clearest definitions is offered by Held and McGrew (2003). According to their definition, globalization can be presented as a global process possessing many different domains that are challenging the traditional nature of social, economic, and political trends in international relations. Their definition helps us better grasp the concept by recognizing several distinctive features of the globalization process. They are:

- Globalization facilitates various different kinds of political, economic and social activities across political boundaries.

- Globalization sets the preconditions for global interconnectedness; this is done through flows of trade, capital, and people which are facilitated by different kinds of infrastructure such as trade rules, banking systems and the use of English as a lingua franca.
- Globalization sees societies become increasingly interlinked; as a result distant occurrences and developments can have serious domestic impacts, while local happenings can engender significant global repercussions (Held and McGrew, 2003).
- Globalization speeds up the world. The World Wide Web and round the clock trading has quickened the process of social and economic integration.

After careful analysis of the literature, it can be suggested that globalization is diluting the power of nation states by triggering an increase in social, economic, and political transnational activities. Thus, we are able to suggest that there are numerous realms of globalization which challenge states in different ways. Whilst the globalization of world politics involves an obvious globalization of economics; due to what Scholte (2005) labels "the inseparable nature of economics and politics" there are also consequences for the political sphere of international relations, which leads us on to analyse the impact globalization has had on the security of the state. One way in which globalization challenges the state is explained by Wunderlich (2003). He suggests that globalization goes much further than interdependence in that it generates "...the penetration of previously sovereign space" (2003: 123). Consequently, this has created a unique challenge to sovereign states by making them rethink the traditional style of governance on which they once functioned. Effectively, globalization can be seen as "...impinging

upon the state from the outside and transforming the security environment within which they operate" (Held and McGrew, 2003: 177).

In creating a deeper understanding of the questions this thesis will ask, a definition of 'security' should also be considered alongside the term 'globalization'. Traditionally, the field of international relations and international security was focused predominantly on understanding war, peace, and the international system that nations operated in. The security and survival of states and the power dynamics between them took centre-stage. Today, the concept of security in international relations has expanded significantly to include a wider range of issues and actors some of which globalization has indeed influenced. This includes such issues as; climate change, migration, poverty, organised crime, and terrorism amongst others, next to long-standing traditional concerns with security from external military threats.

No theory of international politics emphasizes security more than neorealism, which assumes it as the primary motivation of states. Thus for the purpose of this thesis, it is useful to look at Waltz (1991), who defined states in terms of the functions they perform, including the making and enforcement of laws, as well as defence against external attack. In general, neorealist theory defines security as "...the preservation of the state's territorial integrity and the physical safety of its inhabitants" (Walt, 1991). A state is thought to be secure if it can defend against or deter a hostile attack and prevent other states from compelling it to adjust its behaviour in significant ways or to sacrifice core political values. This notion of security may be contrasted with alternative definitions of security that focus on either the individual or the global level, or those that include

nonviolent threats to human life (such as disease or environmental degradation), crime, economic hardship, or threats to cultural autonomy or identity (Buzan 1983; Booth 2007).

We can see that neorealists follow a relatively narrow concept of security. The central concept of security common to all modern versions of neorealism is that “...the presence of multiple states in anarchy renders the security of each of them problematic and encourages them to compete with each other for power and/or security” (Walt 2003). In short, neorealism depicts the international system as a realm where “self-help” is the primary motivation. Accordingly, states must provide security for themselves because no other agency or actor can be counted on to do so. Taking all of the above into account, to summarise, this thesis will consider the term “security” to encompass the following:

*Security is the preservation of the state's territorial integrity and the physical safety of its inhabitants.*

## 2.2 How is Globalization Impacting Security?

Of core concern to this thesis is analysing what the security implications of globalization are on the cross-Strait relationship. In this context it is important to note that globalization has fundamentally changed the international environment so much that domestic and foreign policy are no longer entirely exclusive of one another. Therefore, domestic policy of a state such as the PRC is bound to have an impact on its approach to its foreign policy. As already stated, globalization has seen national governments competing with a more open flow of political, economic and social forces which have direct implications for its security. From analysing the relevant literature, the security implications of globalization can thus be summarized as follows.

- Domestic and foreign affairs are becoming increasingly overlapped, blurring the traditional divisions between internal and external security.
- Globalization has resulted in an increase in identity issues which have potential consequences to state security.
- Globalization has paved the way to a diversification of threats, including that from newly created security actors (Kay, 2004; Smith, 2010).

Globalization also radically alters the traditional view of international security affairs across several dimensions. One such dimension is the creation of non-state or private actors, and the potential threat they provide to the external or internal security of a nation state. Globalization has made it increasingly difficult to police non state actors, and indeed criminal non state actors provide the most difficult security threat for states to cope with (Smith, 2010: 40). The difficulty states face in policing such groups was

demonstrated by the terrorist attacks on the World Trade Centre and The Pentagon in the United States on September 11th, 2001. The event and the crisis which followed highlighted the inability of a state even as powerful and technologically advanced as the United States to independently tackle a collective problem such as international terrorism (Wunderlich, 2003). Despite its power however, it is clear that states like the United States, France, Belgium and the United Kingdom (as recent terror attacks have proved) cannot fully protect themselves against acts of terrorism. Thus, terrorism as a global phenomenon brings a number of security implications for states.

Economic globalization also brings with it a number of security consequences. As defined earlier, the basic measures of globalization are defined primarily by way of cross-border economic transactions and financial operations which can ultimately have a destabilizing effect on state security. As the modern international economy is becoming increasingly globalized, there is a shared belief amongst political analysts that a major disruption to the system such as the 2008 Global Financial Crisis can have a catastrophic effect on the well-being of millions of people around the world (Smith, 2010). As social and political unrest is most likely to come from those who suffer the most from such economic crises, this creates another security threat for governments to deal with.

On a national level, the opening up of a country's economy to the forces of globalization affects the welfare of various groups of people within the state. The gains of economic development are not often spread evenly meaning that whilst a select few prosper, inevitably, others miss out on the gains it brings. Internally this can cause social and



political unrest if not outright conflict, whilst externally it can shape state's foreign policy behaviour (Smith, 2010: 208). More than ever, people are looking beyond their own country and comparing their situations with others around the globe. As a consequence, the gap between rising expectations and perceived reality is breeding discontent. According to Seaver (2015), "Political leaders of countries with wide income disparities and large lower classes—such as North Korea, Cuba and China—understand well the political dangers of relative deprivation, which is one reason why they restrict media access".

Another area of national security that is moving away from more standard examples of what classifies as a 'security threat' is cyber security. As modern technology has developed at breakneck speed in recent years, so have the attempts by nation states, or other actors to utilise such technology to encroach on the security of other actors. This poses a new and unique risk to state security and has seen sovereign states scrambling to implement new laws and measures to counter such threats. President Trump's recent stance on Huawei's operations in the United States – a Chinese tech firm – is a good example of how cybersecurity concerns are increasingly shaping the behaviour of nation states toward one another. In an increasingly globalized world, where access to the internet has spread exponentially in recent years, the fact that hostile actors can challenge state security from any corner of the globe from behind a computer present a unique and distinctly modern threat to a state's security.

Whilst the internet has undoubtedly changed the world for the better, the growing popularity and convenience of digital networks comes at a significant cost. As

businesses and societies in general increasingly rely more and more computers systems and the internet, cybercrime and digital intrusions have increased around the world. These attacks classified as any crime that involves the use of a computer network — include financial scamming, computer hacking, and corporate espionage from hackers — sometimes state sanctioned. The first major instance of cybercrime was reported in 2000, when a mass-mailed computer virus affected nearly 45 million computer users worldwide (Katyal, 2001). A wide range of hostile actors engage in cybercrime to target nation states. They include foreign states themselves, ‘cyber-criminals’, ‘hacktivist’ groups, and terrorist organizations. The resources and capabilities of such groups and actors may also vary.

Put simply, cyber security involves protecting the integrity and security of computer systems connected to the Internet. Different entities like Government and organisations depend on these connections to the internet on a daily basis. For example, in 2017, over 2 billion data records were stolen according to *CB Insights* (2017). As the sophistication and deviousness of hackers continues to grow, individuals and firms have an increasing need to protect themselves. The response to cybersecurity threats however is not down to individuals or companies but rather governments' and nation states themselves. When computer systems are compromised, such impairment could endanger a state's national security in a number of different ways, for example:

- Malicious actors could seize unauthorised access to commercial information by exploiting computer systems, undermining confidence in a country's economy and digital environment.

- Technologically advanced computer tools could be used to target a state's national defence systems.
- Cyber-attacks on telecommunications systems that affect lines of communication across international boundaries could inhibit a states' ability to trade internationally.

One of the first scholars to recognise the growing importance of cybersecurity in the context of national security was Neal Kumar Katyal (2001). He suggested that “...the new millennium [would] brings new crimes”, and that “a new breed of crime has emerged over the last decade”. He described cybercrime as an “...umbrella term [that] covers all sorts of crimes committed with computers from viruses to Trojan horses; from hacking into private e-mail to undermining defence and intelligence systems; from electronic thefts of bank accounts to disrupting web sites.” Despite publishing his piece nearly 20 years ago, the kinds of cybercrime he described still exist today. The only difference now being the skill and complexity in which cybercrime has developed alongside technological advancement. As the Centre for the Protection of National Infrastructure of the British Government points out, “...E-crime, or cybercrime, whether relating to theft, hacking or denial of service to vital systems, has become a fact of life. The risk of industrial cyber espionage, in which one company makes active attacks on another, through cyberspace, to acquire high value information is also very real” (CPNI, 2019).

As well as threatening financial institutions, businesses, the military, as well as individuals, cybercrime also poses a threat to other areas of the nation state, including to its form of governance. In 2017, Facebook CEO Mark Zuckerberg apologize to the United States Congress for making behavioural data for 87 million Facebook users accessible to a British consultancy company called Cambridge Analytica, which then used this sensitive information to manipulate United States voters into supporting Donald Trump's election campaign on his path to becoming president. Western democracies have also continued to claim that cybercrime and the theft of behavioural data of online users is being used by nations like Russia to destabilize western countries and meddle in elections as well as other democratic exercises like referendums. Some scholars have even gone so far to accuse Russia of trying to "destroy democracy" (Weisburd, Watts, Berger, 2016) Thus, we can see that the security implications of cybercrime present a number of challenges to nation states far beyond the tradition concept of 'security'.

Now that the literature on the links between globalization and the security of states has been reviewed, this thesis will go on to analyse the implications of the globalization process on the two sides across the Taiwan Straits: China (People's Republic of China) and Taiwan (Republic of China). From the 1950s through to the 1980s the situation across the Taiwan Strait was very much a relic of the Cold War, a conflict constrained by actors Beijing and Washington. However, during the 1980s the conflict again flared up to a level not seen since the offshore islands crisis of the 1950s. It is also from around the same time that the forces of globalization had become more significant in the international arena, suggesting a direct link between the two.

### **3. The U.S. vs China: The U.S.'s Case Against Huawei**

As stated on the official government website for the Department of Homeland Security “...our daily life, economic vitality, and national security depend on a stable, safe, and resilient cyberspace.” It goes to add further that; “...cyberspace and its underlying infrastructure are vulnerable to a wide range of risk stemming from both physical and cyber threats and hazards. Sophisticated cyber actors and nation-states exploit vulnerabilities to steal information and money and are developing capabilities to disrupt, destroy, or threaten the delivery of essential services.” (Department of Homeland Security, 2019). Successive United States presidents have presided over new laws to protect national cyber security interests. In 2014, the Obama administration implemented the Cybersecurity Framework from the National Institute of Standards and Technology (NIST). It proved to be the go-to guide for companies to review their cybersecurity risks. In November 2018, President Trump also signed into law the Cybersecurity and Infrastructure Security Agency Act. This landmark legislation elevated the mission of the former National Protection and Programs Directorate (NPPD) within DHS and established the Cybersecurity and Infrastructure Security Agency (CISA).

At the front of the United States government's concerns over cybersecurity is the Chinese tech company Huawei. In 2018 Huawei was prohibited from purchasing key telecommunications contracts in a range of western nations due to alleged “national security” threats. Huawei, the privately owned company established in 1987 by Ren Zhengfei, is considered too close to the Chinese government and thus could be

operating as a potential spy. Amongst all of the states prohibiting Huawei from operating was the US, who requested the extradition of Huawei's CFO - Meng Wanzhou – daughter of Huawei's founder on charges of alleged bank fraud in connection with US sanctions on Iran. Over the last decade the tension and suspicion over the penetration of Huawei and other telecommunication providers in the provision of sophisticated digital and telecommunications equipment has continued, and moreover raised eyebrows in Washington. Such suspicion reached a pivotal moment in ... 2019 when President Trump issued an executive order instructing the commerce secretary, Wilbur Ross, to ban transactions “posing an unacceptable risk” (Kang; Sagner, 2019).

Although many scholars suggest that Trump is merely using Huawei as a bargaining chip in trade negotiations with the Chinese, genuine security concerns do exist about the company. The United States and its allies cooperate substantially on cybersecurity issues, with this alliance being called the 'Five Eyes'. These intelligence sharing partners, Australia, the United States, New Zealand, the United Kingdom and Canada have all voiced their concerns about Huawei's operations (in-particular their 5G networks) in their respective countries and have either outright banned their technology – as is the case with New Zealand – or come under significant pressure to follow suit – the United Kingdom. In April 2019, it was confirmed that none of the 'Five Eyes' would use technology from Huawei in the “sensitive” parts of their telecoms networks (Reuters, 2019). The main reason for this ban was driven by the United States and their own concerns that Huawei could be a vehicle for Chinese spy operations, thus posing a security threat to the national infrastructure of the 'Five Eyes' allies.

Huawei's role in building new 5G networks has become one of the most controversial topics in current international relations over the last year or so. That the United States is exercising direct diplomatic pressure to stop states from using the Chinese telecoms giant is a sign that the cybersecurity concerns of the United States are seen as a genuine existential threat to its national security. The United States government clearly regards Huawei as a clear and present danger to national security and argues that any ally that opts to use Huawei will compromise important intelligence sharing amongst these countries in the future. When assessing this risk, it's important to consider the security risk not just from Huawei, but also cybersecurity in the wider context of Chinese cyber-power. The Chinese have been running cyber operations for over a decade now and have been accused on a number of occasions of hacks on United States government departments. It is estimated that these cyber hacks cost the United States economy 300 billion USD a year in the theft of intellectual property (B Mascitelli; M Chung, 2019).

### 3.1 The Huawei Fallout – Implications for Cross-Strait Relations

The Huawei case and the US's continued mistrust of the Chinese technology giant has also led to Taiwan expressing concerns over its cyber-safety – particularly where Huawei is concerned. This continued mistrust will help shape the cross-Strait trade relationship. In April 2019 the Executive Yuan (Taiwan's cabinet) announced bans on telecom equipment, surveillance cameras, servers, web cameras, drones, cloud-computing services, software, anti-virus software and consultant agencies from mainland China. Citing security risks, the crackdown on government procurement of Chinese technology included targeting a number of Chinese tech giants including; Alibaba Group Holding, Huawei Technologies, Lenovo Group and Xiaomi (T.F. Cheng, 2019). Such action followed the passing of the Information and Communication Security Management Act in June 2018 which set out to provide cybersecurity management obligations for government agencies and non-government entities, in particular the providers of critical infrastructure.

Even before April's announcement by the Executive Yuan, in January 2019 A Taiwanese government-subsidised institute (the Industrial Technology Research Institute) outright blocked Huawei smartphones and computers from accessing its internal network, becoming the first organisation in Taiwan to act on US calls to blacklist the Chinese telecoms giant (L. Chung, 2019). Furthermore, the Taiwanese Ministry of Defence has also put in place safeguards to protect sensitive military information from potential cybercriminals looking to access the phones of military personnel via their phone's camera. A spokesperson for the Ministry of Defence stated



that the measure was to “ensure information security” stating that “all servicemen must install an app designed for the military to make sure no one can use their smartphones to access the internet and take pictures of military facilities”. Such measures confirm the existential threat posed to Taiwan with regards to its national defence and its delicate balance between maintaining safe levels cross-Strait trade and protecting its national interests from Chinese incursions.

Such drastic measures to ensure Taiwan's cyber-security are far removed from the previous administration's policy of relaxing regulations on cross-Strait investments. Since President Ma Ying-Jeou took office in May 2008. For instance, under President Ma's tenure, the upper limit for investments intended for China was lifted from 40% of a firm's total assets to 60%; (source). The three links in terms of direct flights across major cities also opened up cross-Strait economic exchanges to a new era defined by a relaxation in regulations (H.H. Chen, 2011). Whilst these policies under the previous Ma administration were put in place with the hope of improving cross-Strait relations – economically as well as politically. Such an entrenched level of engagement has now resulted in questions being asked about the wisdom of harbouring Chinese tech companies as a central part of Taiwan's export economy. Some scholars go as far to say that Taiwan's looming 2020 presidential election looks set to hinge on the country's eternal “China question” of which the issue of cyber-security is a central theme (N. Aspinwall, 2019).

Another way that the Huawei fallout could potentially change the balance of the cross-Strait relationship is that any fallout could also directly benefit Taiwanese

manufacturing companies, further reducing Taiwan's dependency on a single market. Even in the event of President Trump relaxing his standoff with Huawei, uncertainty in the market would result in more orders from other technology brands with Taiwanese ODM manufacturers. Taiwanese manufacturers are famously flexible in nature, and would be well-positioned to press on in a new global trade environment. Such a scenario would also fit into Taiwan's wider New Southbound Policy which could see Taiwanese companies investing further in South East Asia over traditional manufacturing bases in the Pearl River Delta region in South China. Taiwan's Foxconn for example is reportedly considering opening an iPhone factory in Vietnam in order to side-step rising tariffs in the China-US trade war.

If tech is at the heart of the 'China question' and the upcoming election in Taiwan, Taiwan's (under the DPP) broader legislative strategy of cracking down on Beijing's presence within the island is more deeply rooted in the DPP's long-time ideological position of affirming Taiwanese sovereignty with one eye on the eventual independence of the island, along with combating what lawmakers call the looming threat of Chinese influence over media, domestic industry, and electoral politics all of which can be manipulated through cyber channels to Beijing's favour. Taiwan's stance on Huawei and other Chinese tech firms is of particular interest to this study. Whilst other nations too have genuine security concerns over these companies and their security worries, the cybersecurity risk Taiwan faces is much larger than that of other countries owing to China's continued claims to the island as its territory whilst not ruling out the use of force to take Taiwan under its control.

## **4. Cross-Strait Relations: Globalization, China, and Taiwan's Strategy**

### **4.1 China – Fragile Superpower**

After the Communist victory in the Chinese Civil War, and the subsequent founding of the People's Republic of China on October 1st 1949, China underwent a period of immense transformation: socially, politically and economically. Following a series of catastrophic policies such as the Great Leap Forward and the Cultural Revolution in which millions of people died, it was clear that Maoist economics and politics had completely failed and was no longer a sustainable model to follow. Mao's death on September 9th 1976 and the arrest of the 'Gang of Four' ultimately triggered the economic reforms that would be undertaken soon after by Deng Xiaoping, whereby the country would be transformed '...from a policy of self-reliance and suspicion to one of openness and integration' (Economy and Oksenberg, 1999: 5). Since the opening up policy, China has moved fast to become an integral part of the global economy and is currently the world's second largest economy, as well as being the largest contributor to world growth since the global financial crisis of 2008 (World Bank, 2018).

Since Deng Xiaoping embarked on the opening up policy (改革開放, gaigekaifang) and market reforms of the late 1970s, the Chinese economy has grown at a breakneck speed, regularly churning out double digit growth figures. In 2011 China overtook Japan to become the world's second largest economy, boasting nominal gross domestic product worth 5.879 billion USD (Dickie, 2011). The driving force behind its double digit

annual economic growth is the astonishing expansion of China's international trade. From 2000-2009 the value of China's trade leapt from 474 billion USD to 2.207 trillion USD, replacing Germany as the world's leading exporter (Yahuda, 2011, pp. 271). In 2016 alone, the value of China's exports reached 2119.0 billion USD, and even then, that was a 7.1% decrease on the previous year. Further highlighting its rapid economic ascent, China's standalone trade with the United States now exceeds China's entire trade from the turn of the millennium. United States goods and services trade with China totalled an estimated 648.5 billion USD in 2016 (Office of the United States, 2018).

A number of domestic and foreign factors can be attributed to China's rapid development. Hu & Khan (1997) attributed China's rise to foreign investment and a rapid growth in the level of exports. Other factors point to a large under-employed workforce willing to work for relatively low wages (Bosworth & Collins, 2007). Altogether, it is possible to suggest that successive leaders in Beijing have succeeded in making China stand up and become a major player in the international community. In keeping with China's historic opening up reforms of the 1980s, at the 2017 annual Party Congress in Beijing, President Xi stated that "...China's open door will not be closed — it will be only be opened wider" (Shepherd, 2017), pointing to further economic liberalisation of the economy. Some political analysts such as Jacques (2005) have in the past suggested that China has already reached 'superpower' status, second only in the world to the U.S. Utilizing the dynamics of the globalization process has undoubtedly been of key importance in such a rapid rise.

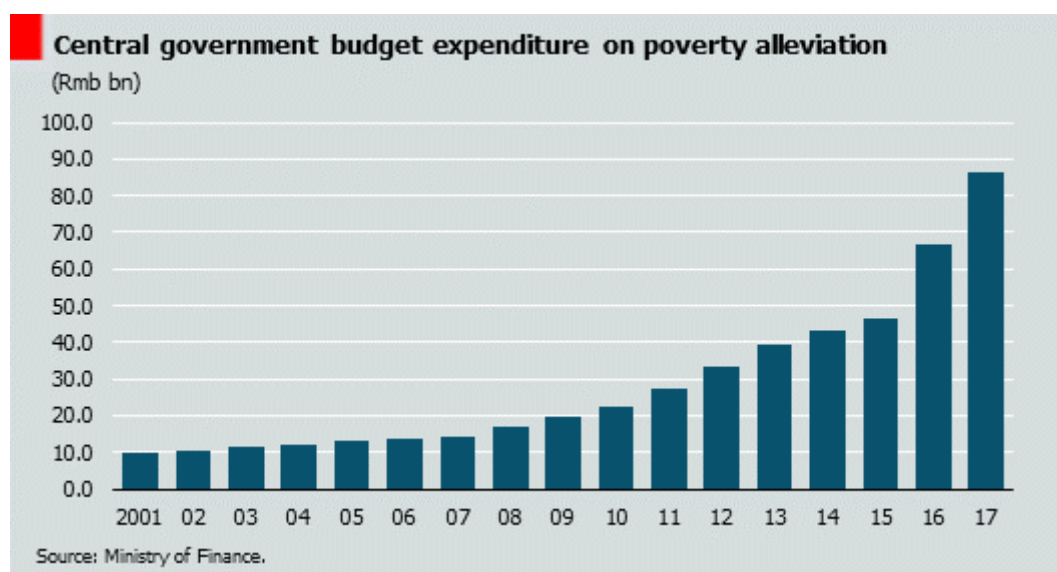
While globalization has clearly brought a great deal of economic benefits to the country, the Chinese state has suffered a number of social and political consequences as a result. The deepening of economic reforms and the embrace of the global market economy has caused immense economic and social change, producing factors at both domestic and international level which had implications on the security of the state. One such problem is internal political and economic disintegration. Economic disintegration is particularly evident in the vast disparity in regional development between areas such as the Pearl River Delta, and the substantially poorer inland provinces such as Gansu, Ningxia, Xinjiang and Tibet. Regional inequality in particular is one of the major concerns facing governments as it reflects unequal opportunities among regions and may threaten national unity and social stability (Smith, 1995). Since 1949, despite attempts to develop economically lagging areas there remains an immense disparity between the GDP of provinces like Guangdong and Jiangsu to some of China's other provinces. Guangdong's GDP, measuring 1,217.27 trillion USD is equivalent to the entire GDP of Spain, whilst Jiangsu, the other manufacturing heartland of China records an equally impressive GDP of 1,165.08 trillion USD. On the other hand, the provinces of Xinjiang, Tibet and Ningxia share a combined GDP of just over 200 billion USD (IMF, 2018).

After China's opening up policy there resembled a shift from self-reliance, to a policy based on comparative advantage, whereby the borders of China's thirty-one provinces created separate markets, forming a kind of *de facto* economic federalism. This has created a whole range of problems relating to migration and provinces competing with each other to attract direct foreign investment. Regional intra-provincial 'resource wars' also erupted across China in which regions used illegal administrative and even military

measures to protect local markets and restrict interregional resource flows (Wei, 2000). A number of intra-provincial trade disputes have also emerged making the internal market of the PRC become increasingly fragmented. Investment in the poorer inland provinces has increased in recent years; a notable example being the 2006 completion of the Qinghai-Tibet Railway (青藏鐵路 qingzangtielu) railroad connecting Lhasa to Beijing via the city of Golmud. However, infrastructure projects such as the railway link to Tibet appear to be part of a broader plan to exploit vast deposits of metals in the disputed territory and to strengthen the state's political control over the region, rather than bring prosperity and economic development to Tibetan society (Lustgarten, 2007). It is clear that the gap between the rich provinces of China's east coast and the underdeveloped western provinces is rapidly widening.

Poverty and the ever increasing income gap between rural and urban residents also present a challenge to domestic stability in the PRC. Despite making notable strides in the economy in recent years and lifting millions of Chinese out of poverty, levels of rural poverty remain high. According to World Bank statistics, in 2010, 11.2 % of the population (almost 150 million people) lived on less than 1.90 USD a day, whilst 27.2 % (almost 360 million people) lived on less than 3.10 USD a day (Shaprio, 2016). More recent official statistics however still reveals 82 million people in China as living on less than 1 USD a day (Wong, 2014). Xi Jinping has repeatedly vowed to fulfil the Communists' original intent, staking his legacy on an ambitious plan to complete the eradication of rural poverty by 2020 (Hernandez, 2017), and as can be seen below in Figure a, poverty alleviation is an area of significant investment from the central government in recent years.

Figure a

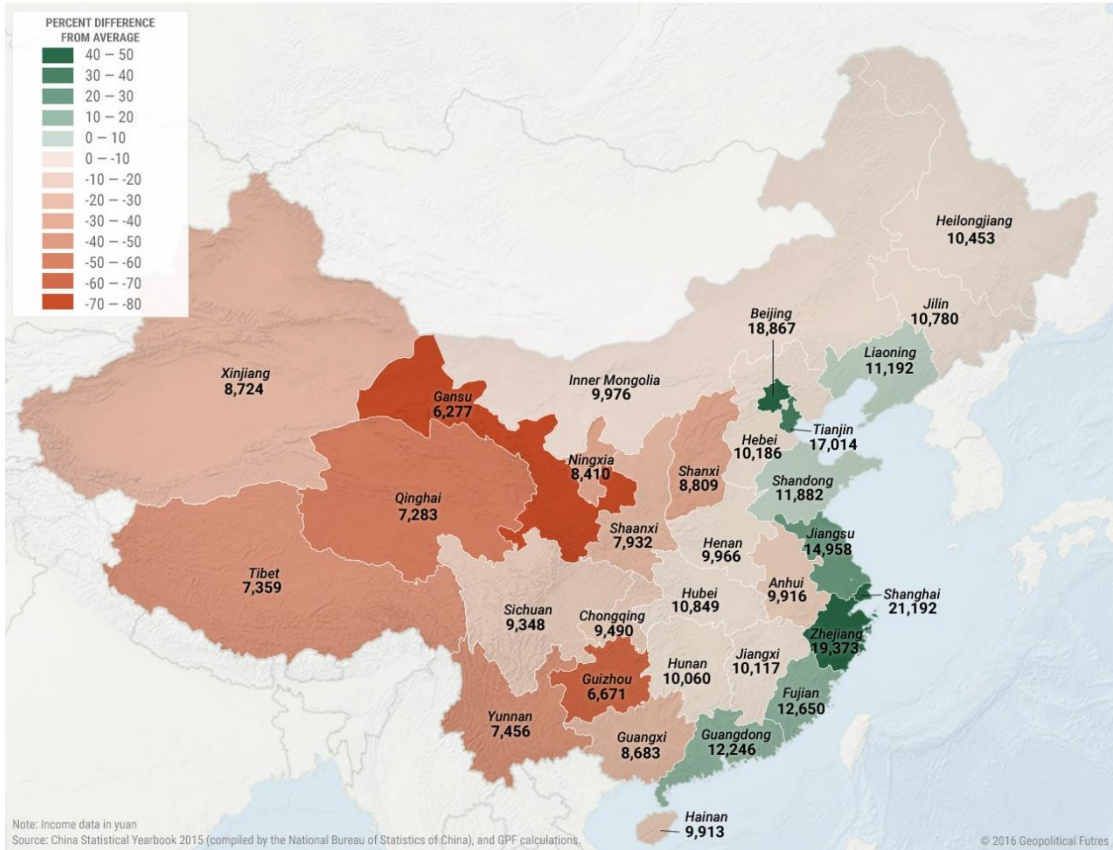


Ministry of Finance, People's Republic of China as shown in the Economist (2018).

Rural income distribution has also become a great deal more unequal. In 2010, with the urban-to-rural income ratio being 3.33:1, China recorded its widest rural-urban income gap since launching the reform and opening-up policy in 1978 (Jing, 2010). Those in the interior provinces are not feeling the positive effects of globalization as much as their counterparts in cities along the eastern coastal provinces, with many of them having a per capita income per household dangerously close to the World Bank's poverty cut-off. In addition, corruption continues to be a constant thorn in the side of the CCP. President Xi Jinping has talked repeatedly of the need to stamp out rampant corruption which he has signalled to be the party's greatest threat (Xinhua, 2017).



# CHINA'S ANNUAL PER CAPITA INCOME, RURAL HOUSEHOLDS



# CHINA'S ANNUAL PER CAPITA INCOME, URBAN HOUSEHOLDS

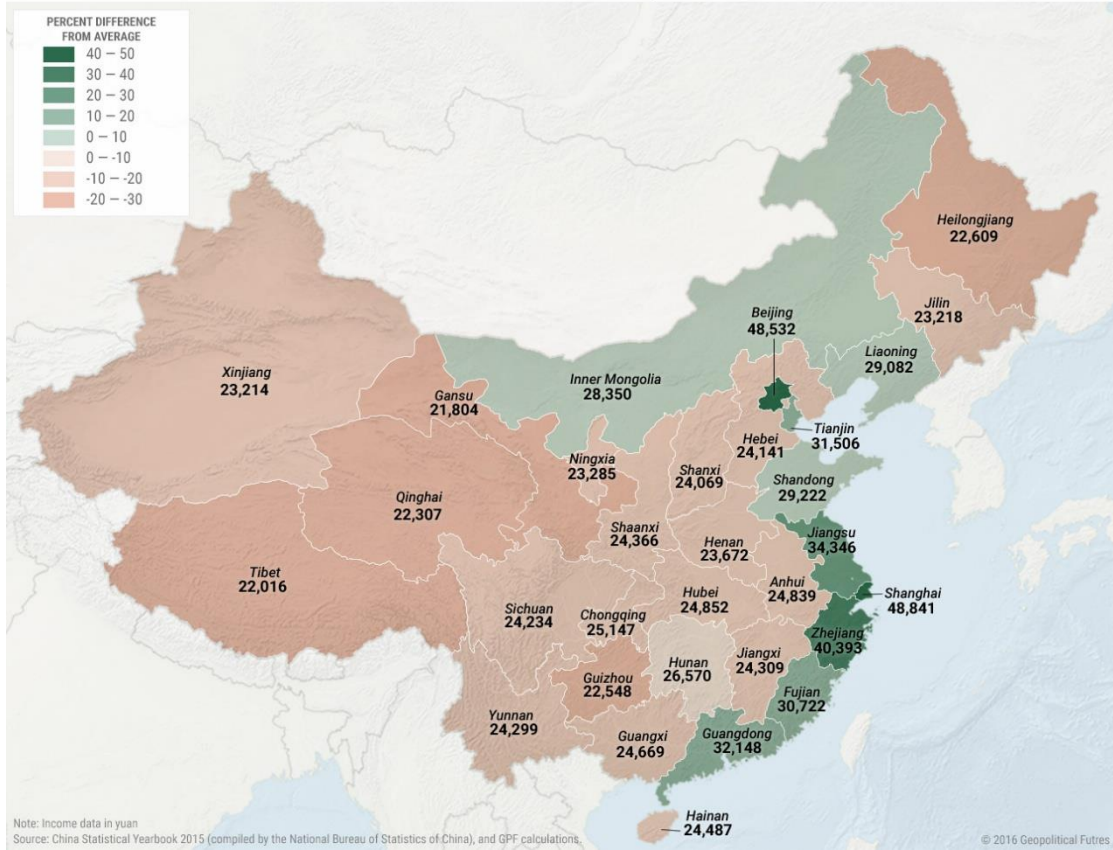




Figure b, c - China's statistical yearbook compiled by the National Bureau of Statistics of China (2015)

Increasingly we can see internal unrest as a product of the economic reforms China undertook in the 1970s. Since the 1990s China has shown more and more signs of such internal unrest. Even after a sustained period of economic growth, with little investment in institutional change, the number of 'mass incidents' – the term the Chinese government uses to describe public protests – is on the rise. Protests have been a frequent occurrence in post-1989 China. Although reliable statistics are hard to come by, most sources agree that the frequency of protests have been much higher from the turn of the millennium to the present than it was in the 1990s, and that it was much higher in the 1990s than it was in the 1980s. In 2005, the last year that the Chinese government published official statistics on "mass incidents," there were 87,000 such occurrences, as compared with roughly 5,000-10,000 per year in the early 1990s and fewer than 1,000 a year in the 1980s (Wright, 2018).

Since 2005, various Chinese officials have given estimates, and some Chinese scholars and non-governmental organizations (NGOs) have offered their own statistics based on their research into mass incidents. Drawing on these sources, for about the past decade, the number of annual protests in China is estimated to have remained in the high tens-of-thousands, and according to some mainland Chinese scholars rose as high as 180,000 in 2010 (Sun, 2011). These protests have included activism by farmers, workers, and homeowners; environmental activism; nationalist protests; political dissent; separatist unrest by Uighurs and Tibetans; and quasi-separatist activism in Hong Kong.

As globalization gradually spread its influence over post reform China, a number of non-state actors also emerged, bringing with them threats to Chinese domestic stability. The emergence of the Falun Gong religious sect in the late 1990s demonstrates well the risks posed to states by non-state actors. Falun Gong, a quasi-religious movement blending Taoist and Buddhist beliefs had gained widespread popularity in China in the mid-1990s, attracting a large following from those who had lost out in the reform process and for whom the sect proved succor in uncertain times (Yahuda, 2011). However, the movement was soon banned and labelled a pernicious religious cult which constituted a threat to political and social order. The spread of Falun Gong as a threat to security was also underlined by the reported size of the movement. The movement had penetrated various party and military organizations, and practitioners included a number of high ranking party officials, as well as sections of the higher echelons of the People's Liberation Army (Zhang, 2001). The constant crackdown of Christian church groups in Beijing and throughout China also highlights the potential security threats non-state actors such as religious groups pose to the Chinese government (Brook, 2011).

If globalization has resulted in an increase in identity issues which have potential consequences to state security, the continued instability witnessed in Tibet and Xinjiang poses another security challenge to Beijing. Riots in Xinjiang's provincial capital, Urumqi in July 2009 left 184 people dead after clashes between ethnic Uyghur and Han Chinese (Wei and Gang, 2010). Similar smaller scale riots have since been contained by the Chinese government after the launch of a 'strike hard' campaign aimed at carrying out further detentions of ethnic Uyghur's suspected by the state of terrorist

activity, including links to the Taliban and Al Qaeda (Bovingdon, 2010). Tibet also provides a constant thorn in Beijing's crown. A series of self-immolations by Tibetans in the Tibetan Autonomous Region in recent years, in protest to what Tibetans perceive as a lack of religious freedom, has seen Beijing react with a series of heavy handed responses (Branigan, 2012). Both Xinjiang and Tibet possess enormous symbolic significance to the PRC, any loss of their integrity and/or sovereignty over the territories endangers their position in the international order as well as their domestic legitimacy. Therefore, whilst Beijing has seemingly kept the separatist movements in both Xinjiang and Tibet under control, unrest there could arise again, deepening Chinese suspicion of anti-Chinese forces abroad, especially in Taiwan (Yang, 2010).

Alongside Tibet and Xinjiang, the destabilising effects of the globalization process have also had a significant impact on China's relationship with another one of its troubled regions – Hong Kong. For decades, the former British colony enjoyed an unprecedented level of political, social, and economic autonomy away from Beijing's centralised rule. In particular, the city's rapid economic development grew Hong Kong into one of the world's economic, financial capitals. For decades, China's GDP relied heavily on FDI flowing into the country via the British colony. Some of the first significant levels of foreign investment into China in the 1970s came through Hong Kong in the form of Taiwanese investors looking to establish factories and other business ventures in the Pearl River Delta region. In 1997, the colony was returned to Chinese rule and absorbed into the 'One Country Two Systems' model first proposed by Deng Xiaoping in the early 1980s. Over the coming few decades, a combination of lessening economic importance, plus an encroaching, and increasingly nationalist pro-China agenda in the city would lead to an increase in anti-China sentiment and opposition to Chinese rule.

Hong Kong's economy relative to China's overall GDP has fallen considerably from a peak of 27 % in 1993 to less than 3 % in 2017 (Albert, 2019). In 1997, when Britain handed over Hong Kong to the PRC, Hong Kong's GDP was still around 20 % the size of the mainland economy, as the territory played the vital role of a middleman in China's trade and investments with the rest of the world. Through the years, however, and as a by-product of the globalization process, China undersaw enormous economic growth taking the country from the ruins of the Great Leap Forward to one of the world's biggest economies. Cities such as Shenzhen and Shanghai developed rapidly and continued to attract huge levels of foreign investment. The Chinese government also launched a slew of policies, such as the establishment of free trade zones, to further stimulate the country's economic expansion. In Hong Kong, however, it failed to change its economic structure sufficiently, leading to a slowdown in growth. Hong Kong's economy in terms of GDP is thus now only equivalent to just 2.9 % of China's overall economy.

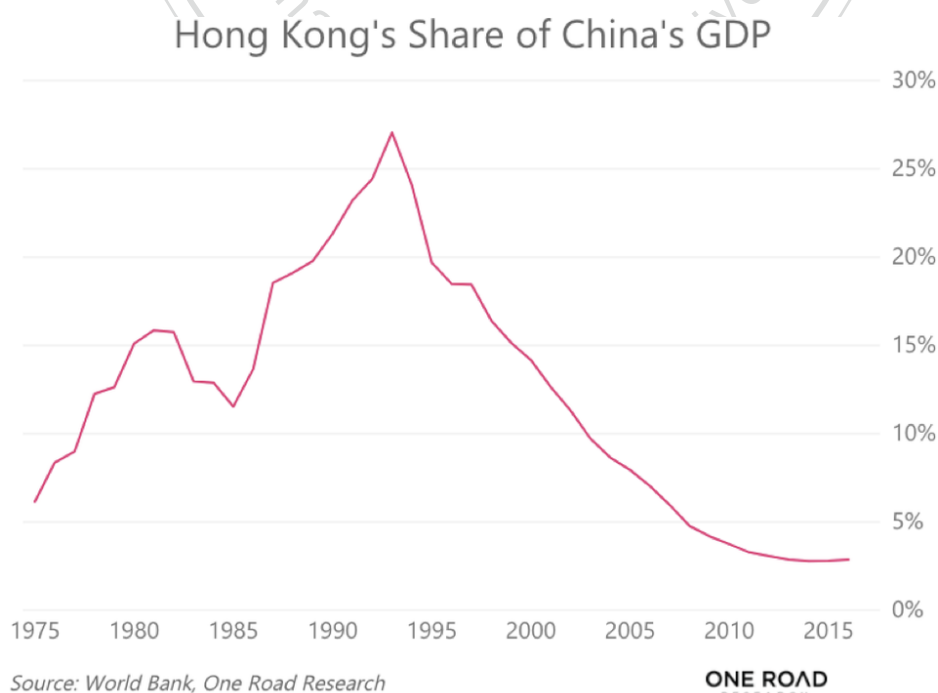


Figure d - World Bank, One Road Research (2015).

Recent years have seen an increasing number of protests in both Taiwan and Hong Kong (Cantoni, 2018). While the reasons for the protests have varied, they have generally reflected a discontent with the rapid pace of integration with China, the consolidation of powerful local identities and a weakening of previous identification with China. If the globalization process can be seen as a trigger for an increase in identity issues, the case of Hong Kong and Taiwan certainly points in the direction of globalization as a contributing factor for this unrest. Both the Umbrella Movement in Hong Kong and the Sunflower Movement in Taiwan introduced to the equation a vocal anti-China movement which hadn't previously garnered so much influence and public attention. Both movements' protests were broadcast all over the world, and watched by a global audience. To a global audience this resembled an increasing level of opposition to China's influence.

Furthermore, China's embrace of the globalization process, and in particular the economic benefits it brings has resulted in Hong Kong becoming less relevant to China's overall strategic aims. An increasingly confident China thus sees no problem with dallying with issues of sovereignty in the former British colony, including openly overstepping the conditions laid out during the signing of the Basic Law during the handover in 1997. As has already been determined, domestic and foreign affairs are becoming increasingly overlapped, blurring the traditional divisions between internal and external security. By understanding this, we can see how the case of Hong Kong and its position as part of China has obvious implications for Taiwan and the cross-Strait relationship. The more Beijing brings criminal proceedings to the leaders of Hong

Kong's pro-independence movement, and the more cases like the disappearance of the Hong Kong booksellers continue to dominate the headlines in Hong Kong, the more the Taiwanese will grow wary that a similar model could ever be replicated in Taiwan.

Seeking to woo Taiwan into its fold, Beijing has continued to use the one country two systems model as a model for reunification. As it stands, however, that system is as much as dead to the Taiwanese public as well as its ruling party – the DPP. A recently as March 2019 President Tsai openly rejected the notion of adopting the model, stating:

“I want to emphasize that the ‘one country, two systems’ principle unilaterally undermines the status quo, eliminates the sovereignty of the Republic of China (Taiwan), and forces Taiwan to accept unification with China. For many years now, countless public opinion polls have shown that the vast majority of Taiwanese will not accept this.” (Office of the President Republic of China (Taiwan), 2019).

Tsai’s comments were well-received in Taiwan with her tough rejection of Beijing’s call for unification talks gaining her 10 %age points in the polls (Chung, 2019) – an important development with elections less than one year away. This suggests that the Taiwanese will know what to expect from reunification with China by watching how Beijing has handled Hong Kong. The Taiwanese public are seeing their future in the mirror of Hong Kong and so far, they aren’t pleased with the reflection. Furthermore, even though the Umbrella Movement has failed to build on its initial promise, an intensified campaign once more against the Beijing authorities in Hong Kong would have possible consequences for Taiwan. For one, Beijing might increase its suspicions of anti-China forces overseas. The common ground between the protest movements in

Taiwan and Hong Kong mean that suspicion would be aimed at Taiwan, especially with a DPP government that has gone on record suggest that China's record in Hong Kong 'underscores the need for Taiwan to increase our self-defence'. (Agence France-Presse, 2019).

Globalization and in particular economic globalization have clearly impacted upon China's economic and political systems. Whilst China has clearly benefitted from the globalization process, it has also been subject to aspects of globalization which serve to undermine state security. Thus, the term 'fragile superpower' has emerged (Shirk, 2007). Other scholars suggest that whilst China continues to produce relatively high level GDP growth rates, a deepening of the social fractures caused by the globalization process are taking the country to the brink of 'revolutionary turmoil' (Garnaut, 2010). Products of the opening up policy, such as the vast income disparity between China's rich and poor have potentially explosive consequences for the state. Therefore, Beijing finds itself in a predicament. Closing China to the forces of globalization would only limit the potential economic gains, restricting long term prosperity. At the same time, opening China to the globalization process has clearly had a detrimental effect on China's domestic stability and security. It is these threats to its internal stability that will come to shape China's foreign relations, in particular its current and future relations with the ROC.

## 4.2 The Emergence of the Taiwanese Identity

The origins of the conflict across the Taiwan Straits can be traced back to the Chinese Civil War between the Communists led by Mao Zedong, and the Nationalists (KMT) led by Generalissimo Chiang Kai-shek. After the KMT were defeated by the Communist PLA troops in 1949, Chiang and his remaining soldiers and KMT officials fled the 100 miles across the Straits to seek refuge in Taiwan. Chiang originally planned to use Taiwan as a stepping stone back to recapturing the Mainland, but by the time Mao Zedong had declared the People's Republic of China on October 1st 1949, two China's had effectively already been created: the People's Republic of China with its headquarters in Beijing, and the Republic of China which was governed in Taipei. Both sides openly advocated the unification of Taiwan with China, but there remained obvious disagreements about who should govern this 'one China'. The ROC's policy of 'liberating' the mainland through military means was matched by rhetoric in Beijing which called for Taiwan 'to be liberated at all costs'.

However, political developments in Taiwan in the 1980s signalled a new era in cross-strait relations, and the threatening rhetoric used by both sides eventually faded. The most important development that occurred was the process of democratization in Taiwan, whereby opposition parties were formed and elections held. Changes in the international system in the 1980's also paved the way for a rise in nationalism in China which was motivated primarily by ending China's 'century of humiliation' (Oksenberg, 1986). Democratization in Taiwan also unleashed a wave of Taiwanese nationalism, and the formation of the Taiwanese national identity which has been a key factor in the



shaping of Sino-Taiwanese relations. These two contradictory forces – the rise of Chinese nationalism, and Taiwanese democratization, increasingly made for a ‘rocky period’ in cross-Straits relations, culminating with the test firing of missiles by China off of the coast of Kaohsiung in 1996 (Wang, 2004). The following part of this literature review will link the globalization process to the democratization of Taiwan, analysing the impact it has had on the security relations across the Taiwan Straits.

The decision to move forward with Taiwan’s democratization in the 1980’s ultimately belonged to the KMT leader Chiang Ching-kuo. Up until the 1980’s, Chiang Ching-kuo had maintained that ‘the restoration of freedom to its people on the mainland’ remained the ROC’s ‘sacred mission’ (Rigger, 2011: 31). However, changes at the domestic and international level led Chiang Ching-kuo to realize that a return to the mainland was a distant, if not impossible dream, and that the future of his regime rested on the wellbeing of people in Taiwan. Chiang Ching-kuo realized that a democratic system would benefit the KMT, and that failure to liberalize the system could potentially result in violent conflict (Wachman, 1994). Taiwan’s continued isolation from the political arena, especially in the aftermath of its expulsion from the United Nations Security Council also contributed to Chiang Ching-kuo’s efforts to democratize Taiwan in that it led Taiwan to secure its foreign relations by building a free and prosperous nation that would seek reunification on its own terms. The democratization of Taiwan can be seen as the most important development in cross-strait relations since the 1980’s. Effectively, Taiwan had emerged as a *de facto* independent state. At the same time, it had given a legitimate political voice to a significant proportion of the population who did not want unification with the China mainland (Yahuda, 2011).

Early attempts to establish a system of political liberalization in Taiwan had been suppressed and opposition to the government was quashed, with dissidents either exiled or imprisoned. However, whilst political activities languished, Taiwan's economy was booming. Although after the KMT fled to Taiwan in 1949, inflation recorded 3000%, during the 1950s and 60s the KMT succeeded in bringing inflation down steadily year on year (Copper, 2003). Soon after, Taiwan had developed into a highly successful export based economy, and from 1960-1980 GDP grew at an annual rate of 9% (Chu, 2004). As a result, by the 1970s Taiwan had become a 'newly industrialized country', or 'NIC'. Further developments were also taking place behind the scenes. Taiwanese businessmen were granted permission to travel to the China mainland in order to expand economic links with the PRC, the eastern coastal cities of Fuzhou and Xiamen in particular profited from a large amount of Taiwanese investment. Indirect trade diverted via Hong Kong also thrived and began to rise rapidly. Between 1979 and 1985, total trade between the two rose from 77 million USD to 1.1 billion USD, more than twelve times in nominal terms (Hu, 2005).

After Taiwan Martial Law was lifted in 1987, the ROC completed two complementary transitions; one to a relatively wealthy, industrialized economy (as explained above), and the other to a liberal-style democracy. As a consequence of these transitions, a third dynamic emerged (which is of key importance to this thesis); the consolidation of a national Taiwanese identity (Blundell, 2012). This has led successive ROC leaders – even those considered 'pro-China' to pursue localized domestic legitimization at the expense of 'One China'. Here we can see the direct impact the globalization process,

and in particular, economic globalization has had on the cross-Strait relationship. The KMT's decision in the late 1950s and early 1960s to foster economic development based on a strategy of export-led growth resulted two decades later in the emergence of a middle class that began to push for a more open political system. In short, it has been suggested by scholars such as Stockton (2002) that sustained economic and political development continued to push Taiwan away from the Chinese acculturation preferred by the PRC.

Increasingly we can see how changing economic as well as political dynamics across the Taiwan Strait were the catalyst for change in national identity in Taiwan. Increased economic prosperity also helped establish a new, well-educated middle class who called for more political participation and civil liberties (Rigger, 2011). By the mid 1980's, the middle class had expanded to include roughly one third of the entire adult population (Tsang and Tien, 1999). As well as this, the KMT regime embarked on a number of important reforms to strengthen the KMT's ruling positions abroad and at home. High ranking political posts had previously been filled predominantly by mainlanders who came to Taiwan after 1949 but only made 15% of the overall population (Wang, 2004). However, the KMT soon came to realize that its mainlander based power structure had become untenable and stepped up efforts to co-opt young, talented Taiwanese into the leadership ranks. As a result, the %age of Taiwanese in the KMT Central Standing Committee increased from 14 % in 1973, to 52 % in 1988 (Tien, 1996). The formation of opposition parties in Taiwan after the lifting of martial law in 1987 also allowed for a radical transformation of Taiwanese domestic politics. As political liberalization proceeded, a number of opposition parties emerged, and by 1996 there were 82 recorded political parties in operation (Wang, 2004). Additionally, legal

and institutional reform followed, and society rapidly became liberalized. The process of political liberalization in Taiwan was completed in 1996 with the island's first ever presidential election which was won by KMT candidate Lee Teng-hui.

The democratization and political liberalization of the ROC was down to a number of factors. The domestic factors, as already discussed include the growth of the economy and the subsequent emergence of a middle class eager to have a role in the political process. International factors also play a part. Changes to the international environment of the 1970's and 1980's made Taipei realize that it was not just enough to be an anti-Communist government (Wunderlich, 2003). Expulsion from the United Nations Security Council in 1971 was a significant turning point for the ROC regime, forcing Chiang Ching-kuo to confront the regimes' legitimacy crisis head on. The final push for democratization came in 1978 when the United States severed ties with the ROC, normalizing ties with the People's Republic of China in Beijing. Thus, democratization became of increasing self-interest to the ROC in order to remain viable as an independent political entity (Hu, 2005). Developing a freer and more prosperous Taiwan was the only viable means to secure Taiwan's foreign relations in light of China's efforts to isolate it. In any event, the election of the first non KMT president Chen Shui-bian in 2000 was a crucial milestone in the democratization process, and reflected Taiwan's rapid evolution away from an authoritarian, one party system towards the thriving, open democracy we see today.

Whilst the penetration of Taiwanese society by international economic, political and social forces was a major factor in the democratization of the ROC, political

liberalization as well as exposure to the transnational flows involved in the globalization process also helped in catalysing the issue of national identity in Taiwan. Historical and global factors were also at work in forming the first notion of Taiwanese identity. However, it can be suggested that neither historical roots nor system-level changes alone can directly alter group identity (Rigger, 1997). The effects of these historical and global forces on people's political consciousness can only be realized through the actions of the state (Chu, 2004). Essentially, national identities are not automatically ingrained in the individual; rather they are politically contracted sentiments that are susceptible to manipulation, especially under the intensive mobilization of political regimes at times of regime transition. Thus, we must look at the formation of the Taiwanese identity in context of recent cross-Strait developments as well as its historical background.

It is possible to point to the brief period of Japanese colonial rule from 1895-1945 as planting the first seeds of Taiwanese identity. The Japanese had a major effect, most notably through the imposition of the Japanese language and education system which were imposed on Taiwan during the colonial period (Rigger, 1997). As well as this, whilst modern Chinese nationalism was being shaped by events such as the Xinhai Revolution or the War of Resistance against Japanese Aggression, all of these critical moments for Chinese nationalism happened when Taiwanese were thinking of themselves as subjects of the Japanese Emperor. Missing this forging of modern Chinese nationalism subsequently gave rise to the development of a Taiwanese consciousness, separate from that of the China mainland. In addition, we should also not overlook the harassment of Taiwan by the PRC, and the poisonous effects Beijing's continued attempts to isolate Taiwan had, and continue to have on the emergence of the

Taiwanese identity. Behaving as a bully towards Taiwan only facilitates angering more Taiwanese, and making them contemptuous and resentful of the PRC (Myers and Zhang, 2006).

The forming of opposition political parties and Taiwanese presidential elections has also played an important role in launching the widespread nationalism seen in Taiwan today. One such example was the formation of the main opposition party, the Democratic Progressive Party (DPP) in 1986. Although the newly formed DPP didn't advocate an independent Taiwan, they did demand that the party 'would allow Taiwan's people to determine the future of Taiwan and develop diplomatic ties with other nations' (Chao *et al*, 2002: 9). Thus, the DPP stopped short at calling Taiwan a sovereign state separate from the mainland, but it did set a clear agenda for future DPP leaders such as Chen Shui-bian and most recently, Tsai Ying-wen to follow. Similarly, Lee Teng-hui's tenure in office also dramatically altered the security relations of the Taiwan Straits. In keeping with the Taiwanization policy of the political ranks, Lee, who was Taiwanese, was chosen to succeed Chiang Ching-kuo in 1988. Although relations between the ROC and the PRC continued to improve in terms of trade and economic exchanges, President Lee seemed determined to reverse the decline of Taiwan's national sovereignty status announcing that the ROC regime would pursue a 'pragmatic foreign policy' to 'protect the sovereignty of our nation' (Myers and Zhang, 2006: 32).

Furious at Lee's repeated efforts to win foreign support, and already disappointed that Lee had not signed a number of cross-Straits agreements, Beijing became increasingly impatient and responded by conducting a series of missile tests off the coast of Taiwan's

southern industrial city, Kaohsiung in 1995 (Chu, 2004). These war games shocked Taiwan and deeply angered the Lee administration. However, despite Beijing's hard-line approach, Lee continued to assert that the PRC regime must respect the fact that Taiwan and the Mainland have been governed by 'two sovereign political entities' since 1949 and that a display of respect was necessary in negotiating the possibility of unification (Zhang and Myers, 2006: 33). Essentially, Lee was moving Taiwan further out of the China orbit, and as a result the number of those who identified themselves as Taiwanese and not Chinese started to increase (Copper, 2003). In keeping with his foreign policy approach, in June 1995 Lee made a controversial visit to the United States to deliver a speech at Cornell University. Incensed by his speech, Beijing's leaders now identified Lee as a separatist and a traitor. Another series of missile launches aimed close to two of Taiwan's major ports followed, as well as a number of military exercises clearly intended to intimidate Taiwan in the run up to the 1996 presidential election (Fook and Zheng, 2007).

The constant harassment of Taiwan by the PRC, and the firing of missiles close to the Taiwanese mainland only served to reinforce the emergence of a separate Taiwanese identity. Beijing's continued claims that it solely represented all of 'one China' also motivated some Taiwanese to justify their building of an independent nation state (Lin, 2011). Although the Taiwanese identity started to gain in momentum in the late 1990s, a poll conducted in 1987 had revealed that only 8.8 % of the population identified themselves as Taiwanese (Zhang and Myers, 2006: 52). In the 1990s, when the forces of globalization started to become more apparent, and Taiwanese nationalism was becomingly stoked by the actions of the PRC, Taiwanese identity became increasingly mainstream. By November 1995, a few months after the PRC's firing of missiles off



the coast of Taiwan, the %age of those in Taiwan identifying themselves as purely 'Taiwanese' had risen to 31 %, and in November 1999 it had reached 36.2 % (Zhang and Myers, 2006: 53).

The rise of the Taiwanese identity also continued during the Chen Shui-bian presidency. During his two terms in office Chen often spoke of there being two sovereign states on either side of the Taiwan Strait (Copper, 2003: 213). His refusal to accept the 'One Country-Two Systems' formula as proposed by Beijing, his repudiation of the 1992 Consensus - much like president Tsai - and his initial proposal to settle Taiwan's unification by referendum also implied a departure from the 'One-China Principle' which had previously dominated cross strait dialogue. Increasingly, his emphasis on Taiwan as a separate entity from China seemed to signal a new stage in the identity building process of the island, and less than a year into his administration he was quoted as saying 'we will never be caught in the framework and trap of One China' (Chao *et al*, 2002). Chen was essentially devaluing Taiwan as a Chinese society, and by the turn of the century, it was clear that a decisive shift in ethnic identity had taken place. Whilst in the past Taipei seemed to be opposed only to the communist government on the mainland, opposition to China itself and not just the Communist Party had also developed, further strengthening the emergence of a Taiwanese national identity separate from that of the PRC.

Increasingly, we can see the conflict between China and Taiwan as two nationalisms on a collision course. This nationalism further complicates cross-Strait relations. The period in history which the Chinese refer to as the 'century of humiliation' has served



as the basis for which modern Chinese nationalism is based on, and the Chinese have still not completely removed the psychological scars associated with that part of its history. The legacy of a 'victim mentality' is still discernible in China today (Dent, 2007: 84). Indeed, Beijing's leaders still often use the century of humiliation as a political tool to drum up support for the government (Callahan, 2004). However, modern Chinese nationalism arose from China's new-found sense of confidence and pride, as a result of its rapid socio-economic transformation in the years since the opening up policy (Fook and Zheng, 2007). Now that China is once again perceived as a strong nation, it can again concentrate on building a China in which all Chinese people are united in one nation. This sovereignty bound nationalism explains Chinese policy in other areas it considers to be 'separatist' regions such as Xinjiang and Tibet. However, as things stand, Taiwan, the 'renegade province', is not part of this one China nation and that poses a problem to the PRC.

The smallest hint of a threat to China's unification as understood by Beijing sets off the most intense reaction. This is because of the inordinate value ascribed by China to its integrity, and to the Communist Party's continued tenure in office. Liu Ji, former Vice-President of the Chinese Academy of Social Sciences writes that:

*"The unification of China is a matter beyond dispute and bargaining. Anyone with a little knowledge of Chinese culture knows that unification has been an essential tradition and the basis for natural establishment throughout Chinese history. Chinese history is a history of fighting disunity and reinforcing unity. Any person or political group that maintains Chinese unification and territorial integrity wins the people's support and the appreciation of historians. Any person or political group that tries to*

*divide China, to surrender will be cast aside by the people and condemned from generation to generation*” (Liu, 2004: 249).

Others agree with this analysis, stating that ‘China’s sovereignty and territorial integrity brook no division’ (Chen, 2003). Indeed, Taiwan is no exception. China cannot allow Taiwan to move towards independence. If Taiwan did declare independence, it would seriously undermine the legitimacy of the Communist party to rule, possibly resulting in the breakup of the Chinese state (Copper, 2003).

Taiwan’s increasingly prominent national identity often puts it at loggerheads with China. Communism in China has lost its appeal and thus, ensuring prolonged periods of economic prosperity and safeguarding sovereign territory have become the two pillars supporting the PRC’s legitimacy (Dent, 2007). Nationalism seems to have filled the void left behind Maoist-Leninism as the legitimizing ideology of the regime. From the Mao era onwards, China has treated the Taiwan issue as unfinished business. The return of Macau and Hong Kong to China also put added emphasis on Beijing to incorporate Taiwan into the PRC (Wang, 2004). Quite simply, Taiwan’s *de jure* independence cannot be tolerated especially under the leadership of the independence leaning President Tsai. Such a rigid view of sovereignty conflicts directly with the rapid emergence of the Taiwanese identity, which in recent years, has seen more and more Taiwanese residents identifying themselves as purely ‘Taiwanese’. In a recent poll conducted by National Chengchi University’s Election Center, 55.8 % of residents identified themselves as ‘Taiwanese’, whilst those saying that they were ‘Chinese’ reads just 3.5 % (National Chengchi University, 2017). What is evident is that over time, the two sides seemed to have developed a different outlook and understanding of

cross-strait relations. More detailed statistics on the changes of Taiwanese/Chinese identity in Taiwan can be seen on the following graph:

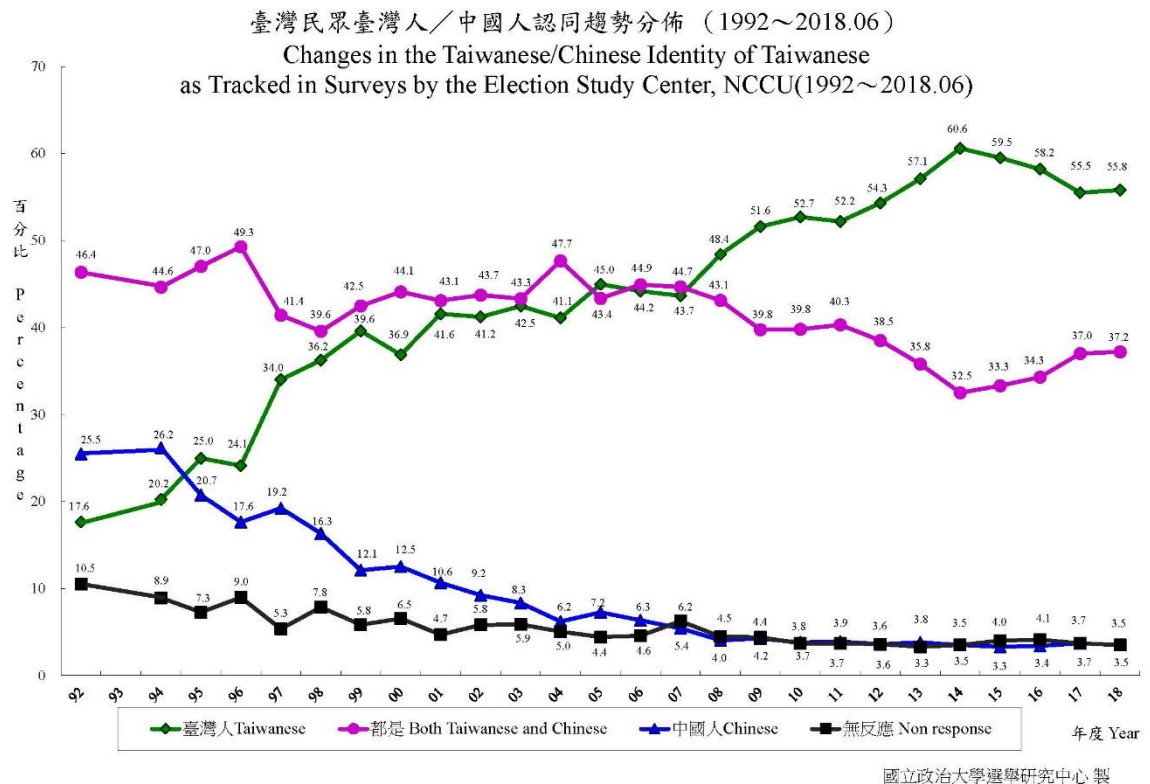


Figure e - Election Study Center, National Chengchi University (2018)

Whilst we often look at Taiwan through the lens of China-Taiwan relations, or the trilateral view of United States-China-Taiwan relations, it should be noted that Taiwan (or the ROC) is a nation and an entity in its own right. Democratization in Taiwan went hand in hand with remarkable political and economic development, but less attention gets paid to Taiwan's equally as remarkable social and cultural development over the last 30 years. Taiwan has a thriving, open political landscape, as displayed by the formation of new political parties particularly since the Sunflower Movement protests of 2014 – the most notable being the New Power Party formed in 2015. Taiwan has

also facilitated the aboriginal population into mainstream society and politics, with aboriginal music and arts being more popular than ever. Furthermore, aboriginal lawmakers are given a designated number of seats in the Legislative Yuan - six seats out of 113, or 5.3% of seats for a population of 530,000, or 2.3% of the population (Liu, 2012). Democratization in Taiwan has been accompanied by a substantial level of aboriginal activism and whilst discrimination and marginalization unfortunately endures, formal policy demonstrates a growing level of respect for the rights of Taiwan's aboriginal communities.

Taiwan's position in East Asia away from the Sinosphere and more broadly into the wider Pacific is also important to observe. Taiwan is increasingly using its cultural and linguistic heritage to seek collaboration and partnership in the Pacific, with the island's linguistic heritage an invaluable part of the dispersal of the Austronesian languages found not only in the Formosan languages, but a number of languages used throughout the wider Pacific region in the Philippines, Malaysia, Indonesia, Polynesia, Micronesia, and even as far as Madagascar. As Blundell (2011) observes, "...these languages are valuable, regardless of their extent, influence, or number of speakers, as part of the basic richness of humanity—a far-reaching interconnecting legacy of communication and worldviews". Furthermore, political and economic developments such as Taiwan's latest 'new Southbound Policy' - the signature innovation of President Tsai - is helping bring Taiwan closer to the Association of South East Asian Nations (ASEAN) region and South Asia in terms of trade and tourism in the face of wider concerns about Taiwan's overreliance on a single market – China. Increasingly we can see how the globalization process has helped develop Taiwan in its own space, away from a singular Sino-centric world which once dominated the markings of the cross-Strait relationship.

### 4.3 Case Study – Taiwan’s New Southbound Policy

In the aftermath of President Tsai’s election success in 2016, and entrusted with a sizeable political mandate, President Tsai declared in her inaugural address that her administration would concentrate on five specific policy areas— (1) transform Taiwan’s current economic structures; (2) strengthen the country’s “social safety net”; (3) enhance social fairness and justice, “so as to further deepen and evolve Taiwan’s democratic institutions”; (4) “pro-actively” help promoting regional peace and stability and cross-Straits relations; and (5) effectively handle diplomatic and global issues (Republic of China [R.O.C.] Office of the President, 2016). Of particular interest to this thesis is the first policy area President Tsai mentioned – transforming Taiwan’s current economic structure. In politicians’ speak this meant a shift away from an overreliance on the economic relationship with a single market – China - which had become a by-product of economic globalization and cross-Straits trade. To help achieve her goals, Tsai formulated the “New Southbound Policy” (NSP) – a concerted effort to expand Taiwan’s presence across the Indo-Pacific.

Tsai’s NSP was not entirely original. The drive to reduce dependency economically on China was also central to a number of previous administrations’ own policies. President Lee Teng-Hui himself took the KMT on a course of “Go South” in 1994. Lee’s strategy saw remarkable shifts in foreign direct investment in 1994: FDI into ASEAN countries leapt from 1.76 billion USD the previous year to 4.98 billion USD, while FDI flows to mainland China dropped by nearly the same amount, falling from 3.17 billion USD to a mere 962 million USD (Department of Investment Service, Ministry of Economic

Affairs, Taiwan, 2013). Lee's successor, Chen Shui-bian of the DPP also launched his own Go South Policy in 2002. Between 2002-2008, Taiwan's FDI in particular to the ASEAN region grew significantly, rising to 10.4 billion USD in 2008, but it was outmatched by FDI to mainland China, which grew at a comparable pace, and investment in Southeast Asia fell to 2.04 billion USD in 2009 (Department of Investment Services, Ministry of Economic Affairs, Taiwan, 2013).

As well as the obvious economic factors, a second driving factor of Tsai's NSP, as stated in her National Day address in October 2017, was "to hold a more advantageous position in international society." This can be interpreted as Tsai striving to "increase [Taiwan's] international space," or room for strategic maneuverability (Ministry of Foreign Affairs, Taiwan, 2018). Due to the PRC's continued efforts to block the ROC from yielding any influence in the international political arena, as well as continued efforts to reduce the number of states recognizing the ROC over the PRC, the NSP can also be seen as a good example of Taiwan's recognition of the importance of non-traditional economic and diplomatic niches. In short, the NSP is a way to promote Taiwan's international space away from dependence on China economically, as well as socially and culturally. As Tsai stated in a speech last October 2018 at the Yushan Forum, the spirit of the NSP is "Taiwan helps Asia, and Asia helps Taiwan" (ROC Ministry of Foreign Affairs, 2019).

The overriding theme of the NSP as told by the NSP Website of the Executive Yuan is "forging win-win relationships" with regional countries with the Asia and Indo-Pacific region. 21 countries are considered part of Tsai's NSP plans, they are: Thailand,

Indonesia, Philippines, Malaysia, Singapore, Brunei, Vietnam, Myanmar, Cambodia, Laos, India, Pakistan, Bangladesh, Nepal, Sri Lanka, Bhutan, Australia, and New Zealand. According to the promotion plan on the executive Yuan's website the NSP is "a major element in Taiwan's external economic strategy that calls for developing comprehensive, mutually beneficial relations with the aforementioned countries. It goes on to state 'people-centred' policy areas that will help "drive regional growth and prosperity" (Executive Yuan, 2019). They are:

2.3 Economic collaboration

2.4 People-people exchange

2.5 Resource sharing

2.6 Forging regional links

For the first area - promoting economic collaboration, Tsai's strategy remains quite vague, however, it is expected that the NSP will lead to greater levels of exports from Taiwan, as well as collaborating on critical infrastructure projects in NSP countries. The second area, people-people exchange, pertains mainly to educational ties, and the two-way flow of workers. Since the policy was implemented, Taiwanese students studying in NSP countries has risen 20% whilst the number of students from NSP countries has also risen significantly, with 90% of those coming from the ASEAN region (*Taipei Times*, 2018) (Marston; Bush, 2018). By resource sharing Taipei intends to capitalize on Taiwan's sometimes understated soft power capabilities by promoting bilateral and multilateral cooperation in sectors such as culture and tourism. Indeed, inbound tourism from a number of NSP countries has rocketed in the last two years. A good example is Vietnam, which increased from 193,483 tourists visiting Taiwan in



2016 to 490,774 making the journey in 2018 – an increase in over 100% in two years (Taiwan Tourism Bureau MOTC, 2019).

Nowhere in the NSP's sphere have its benefits been more widely felt than in SE Asia – and in-particular, Vietnam. Taiwanese investment in Vietnam goes back over twenty years when it opened its doors to foreign direct investment in 1988. Since then Taiwan has invested in 2,551 projects between 1988 and the end of July 2018, totalling over 30.9 billion USD in value, and is the fourth largest foreign investor in Vietnam, accounting for 9.28 % of total registered foreign direct investment (B. Glaser; S Kennedy; D Mitchell, 2018) According to the Ministry of Economic Affairs, Taiwanese investment in Vietnam reached NT\$680 million in 2017. Investment in the first season of 2018 alone exceeded NT\$400 million — 233 % growth from the same season the year before, demonstrating Taiwanese companies' increasing confidence in investing in Vietnam (ROC Ministry of Foreign Affairs, 2019). In both Taiwan and Vietnam, the initial 3 years of increased bilateral ties as part of NSP have been extremely successful. There are hopes on both sides that Taiwan can increase investment in industries such as high-end agriculture, electronics manufacturing, as well as public infrastructure and healthcare.

An increase in direct flights between the countries has also allowed the conditions to make such exchanges possible. Budget Vietnamese carrier Vietjet now operates 52 direct flights a week from airports in Vietnam to Taipei, Tainan, Taichung, and Kaohsiung. Taiwanese carrier Eva Air has followed suit, and increased consumer demand has resulted in Eva quadrupling its number of flights from 7 a week in 1992,



to 28 a week in 2018 (CSIS, 2019). Direct transportation links, whilst essential for boosting tourism numbers are also the lifeblood of commercial exchange and the development of business ties. Taiwanese FDI in Vietnam is concentrated mainly in and around Ho Chi Minh City – Vietnam’s commercial centre. Taiwanese companies have also set up operations in the surrounding provinces of Binh Duong, Dong Nai, and Ha Tinh. The Taiwanese companies are establishing smart city planning projects to help with Vietnam’s fledgling public infrastructure as well as establishing factories making anything from high-end consumer electronics to footwear.

This deepening of regional integration is part of a sustained effort by President Tsai to move Taiwan away from the Sinosphere and to gain Taiwan much needed credentials on the global stage. Whilst it’s unclear how sustainable the NSP will be in the long term – with elections just half a year away – Tsai’s drive to move Taiwan away from an over-reliance on a single market (China) is signalling a shift in Taiwan’s political direction. This has a number of implications for the cross-Strait relationship. Firstly, the NSP repositions Taiwan’s place in East Asia. By promoting people-people exchanges, the NSP can familiarize NSP countries more with Taiwan’s unique culture – boosting soft power capabilities – as well as incorporating Taiwan as an indispensable link in Asia in its own right. Increased economic exchange also opens up doors for Taiwanese nationals to explore work opportunities in NSP countries with Taiwanese companies. A vital development considering the ‘brain drain’ out of Taiwan and loss of talent in recent years to the PRC.

So far, this thesis has analysed a number of issues relating to the globalization process which have had implications for the security relations across the Taiwan Strait. Firstly, China's domestic and internal situation remains uncertain. Beijing is facing a whole range of problems deriving from the globalization process, including political and economic fragmentation, and an uneven distribution of wealth and economic development, all of which create security problems for the state. Secondly, globalization enhanced the democratization process and political and economic liberalization in Taiwan, strengthening the emergence of a Taiwanese identity. Although at the moment it seems unlikely that the emergence of such an identity will lead to formal independence, it remains a crucial factor in shaping contemporary cross-Strait relations. Thirdly, globalization has resulted in the rise in nationalism in China. Thus, increasingly we can see the conflict between the two sides as a clash of two emerging identities. If the link between the globalization process and international security can be found in the penetration of state sovereignty, its effects on the domestic situation of a state, and the consequences for its foreign policy outlook, the developments mentioned above all have a number of implications for the future security of the Taiwan Strait.

## 5. Conclusion

This study was tasked with analysing the relationship between the globalization process and the security of states. This study applied this to the China-Taiwan relationship to allow us to see more clearly just how much globalization has altered the security dynamics in which states tend to operate. My central research question also looked to analyse how domestic developments affected by the globalization process influence state security – in-particular the cross-Strait relationship. This can be summarised as follows: Globalization is diluting the power of nation states by triggering an increase in social, economic, and political transnational activities and penetrating space that was previously sovereign. Owing to globalization's interconnected nature - which has seen states become increasingly interlinked - distant occurrences and developments can have serious domestic implications, while local events are often felt all over the world.

This thesis also suggests that globalization has fundamentally changed the international environment so much so that domestic and foreign policy are no longer entirely exclusive of one another. It implies that domestic policy of a state such as the PRC has an impact on its approach to its foreign policy. The case of Hong Kong is a good example of this – a domestic issue for the PRC that also shapes the way it focuses policy on the ROC. Likewise, domestic issues and occurrences in Taiwan as analysed in this thesis often mould the ROC's stance on cross-Strait relations. Of particular importance to the focus of this thesis is the part globalization has played in the development of identity issues. The rise of the Taiwanese identity which coincided with the ROC's spectacular economic development of the 80's and 90's is perhaps the single greatest influencing factor on cross-Strait relations with it being such a barrier to Chinese

attempts to incorporate Taiwan into the PRC. As shown in the data on page 48, the ‘Taiwanese’ identity is only growing deeper and deeper and China will be hard-pressed to reverse this trend. The forces of globalization are undoubtedly involved in this rise.

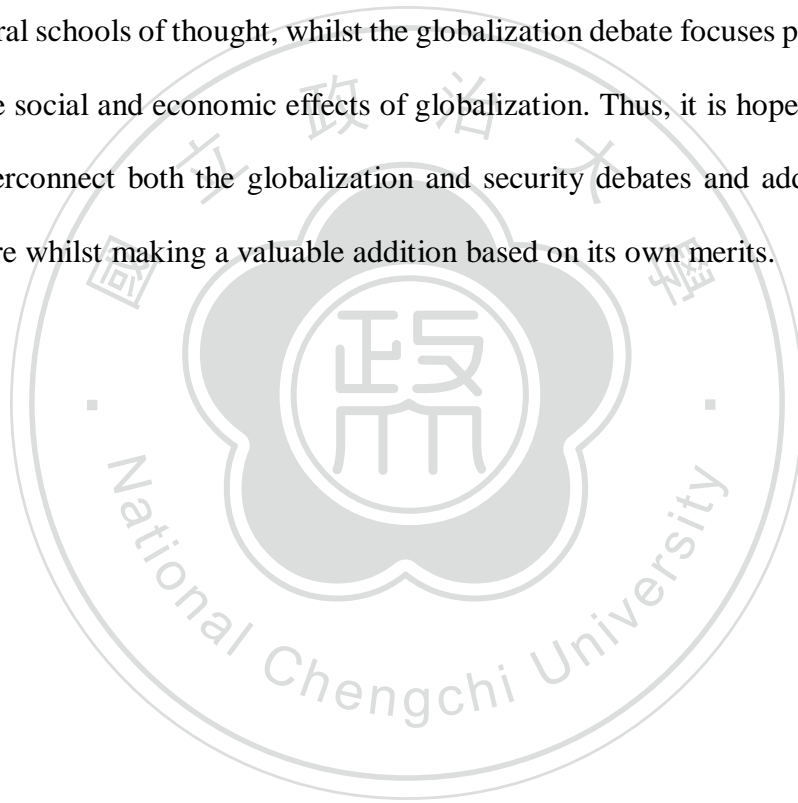
Another key element of this thesis was the study of China’s internal challenges and how they are impacting upon its security along with its behaviour toward other states. As this study has shown, China faces a number of significant challenges, many of which have arose as a by-product of the globalization process. The globalization process has altered China in ways not imaginable only a few decades ago, and whilst it has worked to benefit the country in a number of ways – mainly sustained economic development from economic globalization – challenges remain and continue to put pressure on Beijing. The fact that Beijing’s legitimacy is so reliant on economic growth presents one key area this thesis has focussed on as well as matters related to income disparity and income equality between provinces. A number on non-state actors have also emerged in recent years, bringing their own challenges to the CCP, and at times, shaping policy toward Taiwan.

## 5.1 Limitations

This thesis, does possess a number of limitations. The cross-Strait relationship is susceptible to frequent changes due to the nature of affairs being shaped by players China, Taiwan, and the US – who all have sway in how developments unfold. At times, these players can be unpredictable if not all out impossible to read, in particular President Trump. As such, what could one day be official policy could equally be reversed the very next day – the Huawei case being one such example. This problem, however is not exclusive to this thesis and is a constant challenge to international relations scholars when trying to write contemporary analysis on the cross-Strait environment.

## 5.2 Contributions

International security and globalization are topics that already feature heavily in academic publications analysing the international relations of the post-Cold War world. However, despite this, there has only been a small amount of research undertaken that adequately interconnects the two. This can be down to the case of security studies often being entrenched in the long-lasting debate between competing neorealist and neoliberal schools of thought, whilst the globalization debate focuses predominantly on only the social and economic effects of globalization. Thus, it is hoped that this thesis can interconnect both the globalization and security debates and add to the existing literature whilst making a valuable addition based on its own merits.



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