

CHAPTER I

INTRODUCTION

1.1 Background

Just like how Aristotle once said, “Man by nature is a social animal”, humans are social beings that have a fundamental need for social interaction with each other to survive, and similarly, so are nations. Neither humans nor nations are self-sufficient to fulfill their needs without others in the world. Therefore, international relations at its core can be defined as political interactions or other aspects of relations between one country with another or with non-governmental entities. In the realism school, Hans Morgenthau defines international relations as “a struggle of power among nations” and war is inevitable, soon or later.¹ On the other hand, liberalists argue rivalries can develop into a happy development and Immanuel Kant, one of the world’s greatest liberal philosophers argues that cooperation between nations is possible and more rational than going to war.² This study revolves around foreign policy, and institutions, including international, non-governmental, inter-governmental, and multinational corporations, regional security, economic development, human rights, and many more.

¹ Indian Institute of Legal Studies, “Subject: Political Science III - IILS India,” Indian Institute of Legal Studies, accessed July 6, 2023, https://www.iilsindia.com/study-material/595872_1596909701.

² Jon C. Pevehouse and Joshua S. Goldstein, “Liberal and Social Theories,” essay, in *International Relations*, eleventh (Harlow: Pearson Education Limited, 2017), 74–75.

In terms of dealing with other countries and entities in achieving their collective good, countries implement foreign policy, and strategies used to guide their way in the international arena.³ In order for state actors to come up with the outcome of the foreign policy, first, they must go through the foreign policy-making or foreign policy process. The outcomes of foreign policy are influenced by numerous factors and variables. The results are influenced by the decision-makers themselves, the type of society and government they operate in, and the regional, national, and international contexts in which they function.⁴ Aside from that, interest groups, public opinion, political parties, personalities, and the personal beliefs of decision-makers also contribute to producing a state's foreign policy.

Taiwan, or the Republic of China (ROC) is approximately 268 times smaller than mainland China and has been governed independently since 1949 under the leadership of Chiang Kai-shek. Mainland China or the People's Republic of China (PRC) has never recognized Taiwan as a separate sovereign territory on its own but as one of its provinces.⁵ The mainland Chinese first came to Formosa Island, Taiwan's original name in 1661 when Zheng Chenggong led the Ming Dynasty fleet and established Chinese control over Taiwan. Twenty years later, after the defeat of the Ming Dynasty by the Qing Dynasty, Taiwan became an official part of the Qing Dynasty called Taiwan Province because of its strategic location, the

³ Ibid., 124

⁴ Ibid., 114

⁵ Consulate-General of the People's Republic of China in Auckland, Taiwan Province, November 19, 2003, http://auckland.china-consulate.gov.cn/eng/zt/zggk/xzqh/200311/t20031119_230018.htm.

center of world trade, and position in the global economy.⁶ After a little over 200 years of inhabiting Taiwan, the Qing government on the island came to an end after its first collapse in the First Sino-Japanese War, which resulted in the cession of Taiwan to Japan through the Treaty of Shimonoseki.⁷

During that time in mainland China, the Chinese revolutionaries defeated the Qing Dynasty and established the Republic of China (ROC) and then, the Japanese retreated from Taiwan following its defeat in World War II and reinstated it to ROC. In the next couple of years, an all-out civil war broke out between mainland China's two main political parties namely the Kuomintang (KMT)-led ROC commanded by Chiang Kai-shek and the Communist Chinese Party (CCP) led by Mao Zedong. It was a war for the control and legitimacy of the country as both parties had different ideas and visions on the future of mainland China. Four years later in 1949, the CCP managed to gain more control over the Chinese regions and major cities, which resulted in its victory over China and the flight of Chiang Kai-shek to Taiwan after being chased across the country, bringing more than 2.5 million civilian refugees and ROC loyalists from mainland China.⁸

The relations between both entities continued to fluctuate until 2008 when they began to stabilize during the administration of Ma Ying Jeou. In the course of Ma's administration from 2008 until 2016, Taiwan experienced an impressive

⁶ Adrian van Amstel, "Dutch History Has Lessons for China," Taipei Times. Available from <https://www.taipeitimes.com/News/editorials/archives/2023/02/26/2003795044> Internet; accessed February 25, 2023.

⁷ Lee FU-LAN, "AN INTRODUCTION TO THE HISTORY OF TAIWAN," *GDAŃSKIE STUDIA AZJI WSCHODNIEJ*, May 2014, 100.

⁸ Rebecca Cairns and Jennifer Llewellyn, "The Chinese Civil War," Chinese Revolution. Available from <https://alphahistory.com/chineserevolution/chinese-civil-war/>; Internet; accessed July 14, 2023

political and economic improvement. Political relations mean creating a favorable political climate for government officials, and government actions regarding international entities, particularly other governments and it involves diplomacy, trade relations, war, alliances, socio-cultural exchanges, and many more.⁹ On the most primary level, economic relations can be defined as the economic relations between one party and another, and in this case between entities. It includes trade, foreign direct investment, financial market, foreign aid, labor market, etc.¹⁰

Starting from the beginning of his term, Ma achieved remarkable economic growth though they were hit with a recession in 2009 and a disastrous tropical cyclone. Ma was also successful in negotiating the Economic Cooperation Framework Agreement with the PRC or mainland China, which removed barriers to exports between them and Taiwan. It was the first of many economic and financial agreements that Taiwan and mainland China eventually reached over several years to further strengthen their economic ties.¹¹ Aside from that, they also managed to sign more than 20 other economic pacts and reopened direct contact by sea, air, and mail that had been prohibited for many years. Banks, insurers, and other financial service providers are allowed to operate in both markets.¹²

⁹ Jon C. Pevehouse and Joshua S. Goldstein, "IR as a Field of Study," essay, in *International Relations*, eleventh (Harlow: Pearson Education Limited, 2017), 8–9.

¹⁰ John Spacey, "16 Examples of Economic Relations," Simplicable. Available from <https://simplicable.com/economics/economic-relations#:~:text=Economic%20relations%20are%20the%20economic,economic%20inefficiencities%2C%20stagnation%20and%20instability>; Internet; accessed July 6, 2023.

¹¹ Britannica, "The Ma Ying-Jeou Presidency," Encyclopædia Britannica. Available from <https://www.britannica.com/place/Taiwan/The-Ma-Ying-jeou-presidency>; Internet; accessed July 7, 2023.

¹² Lindsay Maizland, "Why China-Taiwan Relations Are so Tense," Council on Foreign Relations. Available from <https://www.cfr.org/background/china-taiwan-relations-tension-us-policy-biden>; Internet; accessed July 7, 2023

In the political arena, political experts have observed Ma's decisions and concluded that he has been consistent in pursuing the principle of "putting Taiwan first for the benefit of the people". Aside from the improved relations with the PRC by facilitating mainland China tourists in traveling to Taiwan, Ma has also reached over 160 countries to allow ROC's passport holders a visa waiver or landing-visa treatment, as well as complete agreements with the Philippines and Japan on fisheries.¹³ Ma is also the first president of Taiwan to recognize the 1992 Consensus which was when the Chairman of the Straits Exchange Foundation (SEF), Koo Chen-fu, and the Chairman of the Association for Relations Across the Taiwan Straits (ARATS), Wang Daohan, achieved an "agreement" between Taiwan and China at the 1992 Koo-Wang summit. The agreement translates to, there is only one China in the world, but they left room for interpretation as to who the official representative of the Chinese state is.¹⁴

After all that has been laid out, I think it is also paramount to state my standpoint as a researcher, as neutral as possible in this research regarding the two entities, which are ROC and PRC. Although Taiwan is not a sovereign state on its own (especially in the eyes of Beijing), they are a political entity that is capable and able to conduct its foreign policy, especially in the economic aspects just like any other sovereign state. Considering all these factors and the development of their

¹³ South China Morning Post, "Taiwan Has Benefited from Ma Ying-Jeou's Leadership," South China Morning Post. Available from <https://www.scmp.com/comment/letters/article/1901149/taiwan-has-benefited-ma-ying-jeou-leadership>; Internet; accessed July 5, 2023

¹⁴ Tung-chieh Tsai and Tony Tai-ting Liu, "Cross-Strait Relations and Regional Integration: A Review of the Ma Ying-Jeou Era (2008–2016)," *Journal of Current Chinese Affairs* 46, no. 1 (2017): 11–35, <https://doi.org/10.1177/186810261704600102>.

relations under Ma Ying Jeou, this study will highlight its research on **“Analyzing the Political and Economic Relations between ROC and PRC under Ma Ying Jeou in 2008-2016.”**

1.2 Research Question

Recognizing the complexity of ROC and PRC history, relations, and political background, this research focuses on the contributing factors behind the political and economic relations of ROC-PRC. This study limits its scope to the administration of President Ma Ying Jeou which is in 2008–2016. The topic chosen is because of its significance in the history and the uniqueness of the choice taken by Ma which is by recognizing the 1992 Consensus, as the first president of ROC to ever do that. Hence, according to the previously described background and boundaries, this research intends to answer the following research questions:

How does the foreign policy-making of the ROC under Ma Ying Jeou affect the political and economic relations of the ROC and PRC?

1.3 Research Objective

Recognizing the research question, the main objective of this research is as follows:

To identify and analyze the factors behind the political and economic relations between ROC-PRC under President Ma Ying Jeou in 2008–2016; this research results in a thorough examination of contributing factors to the ROC-PRC relations, especially from the neoclassical realism approach.

1.4 Research Significance

Considering the role of President Ma Ying Jeou in affecting ROC-PRC political-economic relations during his administration, this research is aimed at creating a better understanding for its readers and raising awareness regarding this issue. Much research has been conducted in assessing ROC-PRC relations over the years, yet there is only a little research done in identifying the foreign policy-making that eventually contributes to the political-economic relations of ROC-PRC under Ma Ying Jeou. Moreover, this study also discusses his foreign policy, and it is done in the hope of being a reference for policymakers in making decisions. Aside from that, this research is aimed at helping people understand the implications of the decisions taken by a president towards a country, including economically and politically.

1.5 Structure of Writing

This research is divided into five chapters. The first chapter, which is the introduction introduces the topic of this research, the background, objectives, significance and its urgency. It also brings the research question which is answered in chapters after this.

The second chapter, theoretical framework is divided into 2 subchapters namely literature review and theory and concept which serves as a foundation to this research and analysis. In addition, an international relations theory which is

neoclassical realism as well as its four concepts are written as a guideline to answer the research question.

In terms of the methodology, it is written in chapter three. There are 4 subchapters that include research approach, research method to answer the question “how”, data collection technique and data analysis technique.

The fourth chapter is where the analysis of the research is written and where the results are produced. The data collected are then presented in this chapter, the analysis that follows with the theory and concepts and finally where the results are also produced. This is the chapter where all of the ideas, with data gathered are connected to create a result and answer the research question.

The last chapter which is the fifth, is where the conclusion of all the previous chapters are made. Mostly focusing on the answer of the research question and recommendation for future research is also provided.