

## TAIWAN STRAIT

Zhao Quansheng

## How to avert an all-out regional war

It has become increasingly clear that a war scenario is in the making across the Taiwan Strait. If Taipei, under the Democratic Progressive Party regime, continues to push the island from de facto to de jure independence, the mainland will launch a military attack to stop it. Then the United States – and Japan – will almost certainly be drawn into the conflict.

Under the Taiwan Relations Act of 1979, the US is obligated to defend Taiwan to guarantee the peaceful settlement of the Taiwan issue.

Under the new guidelines of the US-Japan Security Treaty, Japan is obligated to support American military action in the region, including the Taiwan Strait. Therefore, a cross-strait military conflict will not simply affect Beijing and Taipei, but rather the impact will be far broader across the entire Asia-Pacific.

Warfare, moreover, will not be limited to a sudden attack, as is commonly believed, but may also appear as on-and-off military assaults, similar to the conflict in the Middle East which may last for decades.

Against this background, outgoing US Secretary of State Colin Powell, after meeting Chinese leaders in Beijing late last month, issued a clear statement that “those who speak out for independence movements in Taiwan will find no support from the United States”, and that “Taiwan is not independent. It does not enjoy sovereignty as a nation”. Naturally, Beijing welcomed the statement, while Taipei expressed “serious concern”.

The recent announcement that Condoleezza Rice will replace Mr Powell as secretary of state will not significantly alter US policy towards the Taiwan Strait – simply because both conservative and moderate camps are aware of the stakes at hand.

A recent statement from a Taiwanese leader threatening that the island would retaliate and attack Shanghai in a cross-strait war has upped

the ante. To achieve a win-win situation, both Taipei and Beijing have to think about how to accommodate each other.

That was perhaps Mr Powell's point when he called for ways “to improve dialogue across the strait and move forward to that day when we will see a peaceful unification”.

A compromise can be made only through negotiations. Therefore, Beijing should be prepared to reopen dialogue with Taipei whenever there are encouraging signs from across the strait. For their parts, the US and Japan must be more vocal in discouraging Taiwan's move towards independence and in pressuring Beijing to come to the negotiation table.

Once dialogue is open, all sides must consider following crisis-prevention measures.

First, there is a danger that unintentional action or rhetoric may have severe consequences due to miscommunication and misunderstanding. Therefore, confidence-building measures and crisis-management mechanisms should be established.

Second, as some US scholars and officials suggest, a mid-range arrangement may be helpful in stabilising the situation.

That is, during a certain period, say for 20, 30, or 50 years, the two sides would make a pledge: Taiwan will not seek independence, China will not use military force, and the US will act as a moderator. Finally, a multilateral regional security framework, something similar to the six-party talks on the North Korean nuclear crisis, may be needed.

It is understandable that Beijing has so far been reluctant to support such a move, but it should recognise that outside pressures, such as Mr Powell's statement, can play a constructive role.

It is with great hope that we look to the wisdom of all countries in the Asia-Pacific region to bring the Taiwan issue to a peaceful settlement.

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## URBAN PLANNING Christine Loh

## A blueprint for a new Hong Kong

Hong Kong is on the edge of a quality drive that the sooner we are able to push in the right direction the better.

The quality drive Hong Kong has to embark on now is to fix old problems and to find new solutions. Our success in taking up this challenge will determine Hong Kong's place among world cities.

During the past 30 years, the government has carried out extensive reclamations, built half of our residential housing, created new towns in the New Territories, constructed road and rail networks, as well as container ports, and established many more schools and hospitals, plus relocated the international airport.

Today's built environment was constructed very quickly.

The earlier infrastructure was created at lightning speed due to a rising population and the need to keep pace with the city's industrialisation. The priority to produce hardware quickly means some structures are now obsolete.

For example, many older buildings need to be torn down. It would be a mistake for the government to continue to put up more cheap public housing because those buildings will not stand the test of time.

The real challenge is not about minimising costs in the short-term

but optimising usage and making it flexible in the future. At the same time, several exceptional old buildings with heritage and cultural significance, such as the Central Police Station, require preservation as well as the most sensitive treatment so that it can become an development with impact that will set heritage conservation in Hong Kong on a higher path.

How the city's road system is designed now may also be obsolete.

For example, reclaiming the harbour to build highways to ease traffic has created the unattractive structures that are a blight on our waterfront today.

Civic groups have formed that focus on issues to protect the harbour and save the shorelines. Their establishment signals that the people demand a different product than the one we have today.

For housing and roads, the quality drive requires a fundamental shift in mindset. The government has a breather – population growth has slowed significantly. We have more time now. The excuse that we must build quickly is not relevant any more.

The Highways Department and

road engineers need not despair that there will be less work and thus become redundant. There may be fewer large new highways to be built – and even planned projects should be reviewed and revised – but there is plenty of reconstruction and remedial work.

The Eastern Island Corridor, for example, can be repositioned below the water, and the road systems to and from the Cross-Harbour Tunnel can perhaps be reconstructed. The size of the yet-to-be-built Central-Wan Chai Bypass should be reconsidered.

Road planning should be an integral part of urban planning and not lead everything else as is the case today. The dominance and priority given to road planning created many aspects of our unattractive urban cityscape.

The good news is that Hong Kong has a large number of professionals who are competent to do the job. They need new project briefs so that they can adapt to the new public demand for urban areas to cater for density, efficiency, health and aesthetics at the same time.

As for costs, it will be expensive to

fix problems. This goes without saying.

The good news is that improvements can be made and people are likely to agree to pay for them because they desire a dramatically better urban living environment.

From the perspective of the professions, this should be good news as it represents the chance to do quality work that will push them to a new level of challenge and therefore competence.

The controversies over the West Kowloon Cultural Development symbolise what is wrong with how important decisions are made.

The government wants to use property to finance public facilities, such as museums and open spaces, and decided that the project is good for the people. There is no debate about whether this model is suitable as it means one or two developers will control Kowloon's property market.

The debate should not be over whether it would be good for Hong Kong to have well known international museums manage the exhibition spaces but whether it is right for the city to use land sales this way. Who manages the museums is frankly incidental.

Christine Loh Kung-wai is head of Civic Exchange, an independent think-tank



Laurence Brahm

## Sincere flip-flopping in Taiwan?

On November 10, exactly one month after his “double 10” speech, Taiwanese President Chen Shui-bian spoke again. This time before a meeting of his cabinet's security council. He called for promoting cross-strait dialogue in the interest of regional peace and economic development.

Is this just another political ruse or is Mr Chen seriously presenting an olive branch to Beijing?

The State Council's Taiwan Affairs Office labelled Mr Chen as “insincere”. Are they fully aware of local Taiwan undercurrents possibly opening a window to change Mr Chen's position? Calm listening is now needed.

Mr Chen called for “seeking long term peace and development”, describing the last three years of his term as a “crucial opportunity that both sides should grasp” to “achieve long-term positive development and people's livelihood”, words which sound more like Beijing than Taipei.

Mr Chen rose to power four years ago on a pro-independence agenda, winning re-election this year by a thin margin. Playing to often extreme emotional currents is a mainstay of Taiwan's politics. With three years left, Mr Chen may be thinking twice about how history will remember him.

Labelled an independence ideologue, he may be a political pragmatist whose survival depends on changing agendas with opportunity. By profession he is a lawyer. Everybody knows how lawyers think.

As a pragmatist, he differs from predecessor Lee Teng-hui, who remains an independence ideologue. Mr Lee identifies himself more as Japanese than Chinese.

Mr Chen's Democratic Progressive Party no longer faces challenges of gaining power, but retaining it. This requires a delicate drift from a radical pro-independence line. To consolidate power the DPP requires a new mainstream agenda to address pro-unification business interests. On

“Mr Chen may be a political pragmatist whose survival depends on changing agendas with opportunity”

October 10, Mr Chen suggested resuming cross-strait dialogue based on principles jointly agreed in Hong Kong in 1992. Beijing initially dismissed this as insincere – with reason – because Mr Chen's speech contained contradictory elements which sent confused signals.

One month later, Mr Chen added definition to his hints. While falling short of clearly recognising the one-China policy requisite to Beijing for initiating dialogue, he has alluded (within the context of Taiwanese political pressures) a shift from his previous position. Mr Chen has even put some cards on the table. “Taiwan completely recognises the principles of China's one-China policy position but we call for the other side of the strait to recognise the Republic of China existing as a reality.”

But what does Mr Chen mean by recognising the “reality” of the Republic of China? Beijing should seek clarification before responding.

Suggest adding the words “historic reality”. The Kuomintang, which set up the Republic of China in 1911, recognised one China and never differed with the Communist Party on the issue. Can Mr Chen, a former independence radical, now push for unity? Sound unlikely? Remember ardent anti-communist Richard Nixon visited Mao Zedong (毛澤東), ending decades of embargo and initiating the normalisation of Sino-US relations.

So will Mr Chen be the one to initiate dialogue with Beijing? Brokering unification remains sensitive in Taiwan. If this is his intention, he must manoeuvre many local factional interests in Taiwan. He also needs to build credibility with Beijing, which does not trust him.

So recognising one China may need several rounds of evasive language before this key can unlock the door to restart dialogue. From Beijing's view such flip-flopping may sound insincere. But given Taiwan's nasty local politics, maybe Mr Chen's reputation for about-facing is exactly what is needed.

Laurence Brahm is a political economist and lawyer based in Beijing

## APEC SUMMIT Edward Lincoln

## Focus on economics – not terrorism

Last weekend, the annual Asia-Pacific Economic Co-operation leaders meeting took place in Santiago, Chile. Does it still matter?

Much has changed around the Asia-Pacific region in the past decade. Japan's economic ties with East Asia have all weakened sharply. Meanwhile, China has risen dramatically as a trading partner and a destination for direct investment, and its relative ascendancy is likely to continue for some time.

In the wake of the Asian financial crisis of 1997, governments in East Asia put more emphasis on talking among themselves in the new Asean+3 grouping. And several East Asian governments began negotiating bilateral or sub-regional free trade agreements (FTAs), with the China-Association of Southeast Asian Nations talks perhaps the most prominent of these.

This activity within East Asia

suggests that Apec is fading as a focus of attention for these governments. However, when governments meet for a regional discussion, a key motive should be to bring together a collection of economies that have distinctively close economic links. On that basis, Asean+3 is too narrow a grouping because it leaves out four important players that have close ties with East Asia: Australia, New Zealand, Taiwan and the US.

As important as this exercise in “networking” may be, Apec needs to do something more. The initial attempt to define that “something more” was the Bogor Declaration of 1994, which established a vision of an Apec region free of trade and investment barriers by 2010 for the developed members and 2020 for the developing members.

The failure to articulate the meaning of this lofty goal or to devise any realistic process to achieve it is

the primary reason for disappointment with Apec. However, it would be a mistake to read too much into this failure.

On trade barriers, Apec can be a voice of support for the World Trade Organisation, and the need to complete the Doha round of multilateral trade negotiations.

Or, Apec can play a role in monitoring and reviewing the FTA activities of its members. At the same time, it is important to recognise what Apec should not be. Since 9/11, the US government has pushed several security issues at Apec, such as efforts to get Asian governments to allow the stationing of American customs inspectors in their countries to pre-clear shipments bound for the United States.

While extending the economic discussion at Apec to include some security issues is fine, the other

governments are beginning to tire of the single-minded approach of the Bush administration. Apec is, and should be, about a lot more than supporting the American war on terrorism. If pushed too far, this focus of the Bush administration will only drive other governments away from Apec towards Asean+3.

These ideas represent a decidedly modest agenda for Apec. The organisation is not destined to create exciting big changes. But Apec can continue the process of nudging the Asia-Pacific region closer together economically.

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## UNITED NATIONS IN IRAQ Shashi Tharoor

## The indispensable organisation

The crisis in Iraq has created a large number of casualties, and some suggest that the UN should be added to the list. International public perception certainly points that way.

The label of “irrelevance”, which had been flung at the United Nations during the unfruitful debates at the UN Security Council, continues to hang in the air. But the UN still remains the only organisation with the international legitimacy and experience to deal with problems that threaten the world's well-being and security. And it continues to play a crucial role in Iraq.

But a Pew poll taken in 20 countries last year showed that the UN had suffered a great deal of collateral damage over Iraq. The UN's credibility was down in the US

because it did not support the US administration on the war – and in 19 other countries because it failed to prevent the war. A Pew poll this year continued to show that the organisation's standing was lower than ever before in the US and in several Muslim countries.

Ironically, when US President George W. Bush urged the security council in September 2002 to take action against Iraq, he framed the problem not as one of unilateral US wishes, but as an issue of the implementation of earlier security council resolutions. The UN was at the heart of the US case against Iraq.

And, despite failing to win security council support for the intervention, the US brought Iraq back to the UN within two months of the start of the war. The council

adopted Resolution 1483 in May last year, asking the secretary-general to appoint a special representative to help the coalition build an internationally recognised, representative government.

The fact that Washington submitted this resolution to the security council was a tacit acknowledgment that there is, in Secretary-General Kofi Annan's words, no substitute for the UN's unique legitimacy. This point is not just a matter of legal theory, either. Co-operation with the UN was integral to the US during the post-war period.

Without Resolution 1483, the US-led coalition could not have sold a single drop of Iraqi oil; the resolution created an international law that allowed the coalition authorities in

Iraq to conduct normal commerce. The ultimate objective of all UN involvement in Iraq has been for Iraqis to regain control of their own political destiny.

The divisions that bedeviled the organisation earlier last year are behind us; Mr Annan has repeatedly stated that it is in everyone's interest to see the emergence of a peaceful and stable Iraq. But the crisis is not over, and the UN is in the midst – ready and willing to play its unique part in helping create a new Iraq.

Shashi Tharoor is the UN undersecretary-general for communications and public information. Reprinted with permission from YaleGlobal Online (<http://yaleglobal.yale.edu>)

## WINDOW ON THE WORLD

## SHANGHAI Mark O'Neill

## Sexual double standards

Did one of Shanghai's most famous economic professors, an adviser to the government and many companies, deserve to be hounded out of a top job at his university because he slept with a prostitute?

Why did the police break their promise to him, after he accepted their warning and paid a fine, and reveal his identity, leading to the loss of his job and public humiliation?

Lu Deming (陸德明), 47, was a teacher at Fudan University from 1984 until he resigned in September. His final post was dean of its economics and finance school. He has written four books and 30 academic papers and co-authored a dozen more.

He was head of the China Centre of Economic Studies from 1988 to 1999 and is an adviser to the Shanghai city government, Yunnan province (雲南省), China Minsheng Bank, China Construction Bank and many other companies.

One fateful day in summer, Professor Lu went to a well-known tea house near the university where, he claims, he fell into conversation with a young woman who said that she was out of work and short of money. They took a liking to each other and later slept together.

But, once Professor Lu discovered that she was

a prostitute, he broke off the relationship, despite many telephone calls and text messages from her demanding money. Later in the year, police detained the woman, who during interrogation, mentioned Professor Lu's name. They detained him on August 12 and demanded that he give written testimony as part of their investigation.

After police agreed to keep his name confidential because of his status, Professor Lu agreed. He accepted their warning and paid the maximum 5,000 yuan fine.

But the police broke the agreement and reported his name to the city government, which passed it on to Fudan University, his employer.

The case has caused controversy, with many students supporting him. While Professor Lu has lost his job for a few moments of pleasure, thousands of government and party officials who keep mistresses and visit prostitutes are not punished.

Ji Weidong, a law graduate of Beijing University and law professor at Kobe University, said the police should have respected Professor Lu's confidentiality.

“There is an enormous gap between law and social customs that have changed greatly over the past 25 years. People more accept the sex business, especially to meet the needs of single people, like migrant workers, and want to improve and control it rather than criminalise it,” Professor Ji said.



## SINGAPORE Sonia Kolesnikov-Jessop

## No more bets, please

If anybody says casino one more time, I am going to scream. These days, I cannot attend an event without the conversation turning to the subject (are you pro or con?), or open the papers without being confronted by an avalanche of articles on why a casino will be a good thing for Singapore and then only to turn to the letters pages and discover readers' “widespread” opposition to such a move.

The headlines say, “Minister urges Singaporeans to be pragmatic” – accept the idea; “Casino resort may boost GDP” – the economic card is always a winner. “Don't be pragmatic at expense of ideology”, “When consequences are dire, allow no choice”, reply the readers' letters.

Who will win? Well, that's not difficult to guess. Until recently, I believed the government had not really made a decision. Indeed, the idea of

launching a webpage forum for Singaporeans to give feedback on the proposal seemed to make a point it was still listening.

But now gazing into my crystal ball, I'm pretty convinced the writing is on the wall. Why? Because when a senior minister says he believes Singaporeans are mature enough to handle a casino,

while indicating that the government is already talking to six to 12 casino operators about their proposals, it's time to stop placing bets on the likely outcome.

Even when the minister said the government was “happy to walk away” from the casino plans if proposals did not meet expectations, he shifted the debate from Singaporeans' opposition to satisfaction about the operators' proposals.

Only two months ago, newspaper polls showed that Singaporeans were evenly divided on the issue. But last week, the minister “revealed” (as the newspaper put it) that most Singaporeans do not have concerns with a casino being built.

Let's not be hypocritical. For all the letters warning about a plague of social ills and anti-propaganda efforts by a family group claiming that treating gamblers will cost S\$300 million (\$1.4 billion) a year, the government collects S\$3.5 million a day in gaming duties from state-sanctioned operations such as lotteries, horse racing and soccer betting.

Singaporeans do gamble a lot already and a casino will not change that. At the end of the day, the debate is shifting from a question of values to how much it will benefit Singapore. According to “back-of-the-envelope calculations”, the resort could boost gross domestic product by at least 1 per cent to 2 per cent, creating 3,600 jobs. It would also absorb some of the S\$2 billion that local gamblers lose annually at casinos overseas. These are pretty strong incentives for the government.