

## **HIDING THE SINO-TAIWANESE DISPUTE? FRANCE-CHINA GLOBAL PARTNERSHIP AND THE TAIWAN ISSUE**

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On 16 May 1997 in Beijing, Jiang Zemin and Jacques Chirac signed a Sino-French Declaration for a Global Partnership<sup>1</sup>. This long text of about ten pages codifies the whole of Paris-Beijing relationship both as to bilateral and international relations. Recalling their specific responsibilities as permanent members of the UN security council and their common concern for independence, the two sides commit themselves to developing multipolarity.

To this end, the 1997 declaration provides that the two sides will organise, each year, at least one bilateral meeting at the governmental or presidential level, as well as two meetings between the ministers of Foreign Affairs. As a matter of fact, China does not have such frequent high level meetings with any other country, even the United States. Jacques Chirac went in China in 1997 and in 2000<sup>2</sup>, Lionel Jospin in 1998, Hubert Védrine in 1998 and 2000; President Jiang Zemin came to France in 1999, the Prime Minister Zhu Rongji in 1998, and the Minister of Foreign Affairs Tang Jiaxuan in 1999 and in 2000. Besides, a private visit came before each presidential trip in 1999 and in 2000.

Such an agenda implies to nurture the dialogue. The first part of the declaration lists, under eight sections, the various subjects that can be discussed: strengthening a multipolar world, contributing to reform the UN, promoting disarmament, protecting the environment, fighting drugs, criminality and terrorism, strengthening development aid, supporting multilateral trade,

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<sup>1</sup> See: [www.diplomatie.gouv.fr](http://www.diplomatie.gouv.fr).

<sup>2</sup> For the official part of his trip, Jacques Chirac was both attending bilateral meetings and chairing a EU-China summit.

and respecting plurality. Topics are numerous. Even then, both sides should be able to avoid matters of grievance. The Taiwan issue of course is one of them.

### *The Rocsat-2 deal*

The sale to Taiwan, in December 1999, of an observation satellite (Rocsat-2) by Matra<sup>3</sup> has, at once, placed Paris on a defensive line vis-à-vis Beijing, although the starting point of this deal was commercial only, even Franco-French. This affair sheds light on the pernicious effect of a relation that is devised on strictly market grounds – that is the Franco-Taiwanese relation –, but which must, in actual fact, be combined with two other highly political bilateral relations, the Sino-Taiwanese sovereignty dispute, on the one hand, and the Sino-French global partnership, on the other hand. It also reveals the contingent interests with which any foreign policy must compromise, as well as the entanglement of supposedly distinctive spheres – political and economic, public and private, civilian and military, national and international. During this episode, various dynamics – in particular, industrial strategies<sup>4</sup>, the Sino-Taiwanese dispute, and the Paris-Beijing partnership – have been exacerbated by circumstances: a merger of firms, visits of heads of state, or the election, in Taiwan, of a president labelled independentist.

The green light given to Matra by the French government to export an observation satellite to Taiwan should have been without consequences on the Sino-French relationship. Within an open invitation to tender, it came after the Taiwanese purchaser had already chosen the German firm Dasa. Anyhow, this authorisation was confirming that the sale of a satellite, officially for civilian observation did not run counter, in the mind of the French government at least, to the 12 January 1994 communiqué. It could also be analysed, within a more Franco-French perspective, as a will to support – at little cost – the Lagardère Group. During the subsequent episode, political and industrial dynamics were combined. Dasa gave up the contract, certainly because of Beijing's pressure on the German government<sup>5</sup>. But it also seems that, in any case, Dasa was not able to produce, all by itself, the required satellite, while Matra refused to make the necessary production transfer in Germany<sup>6</sup>, although EADS

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<sup>3</sup> The contract was signed on 9 December 1999, and amounted to 482 millions francs (*Le Monde*, 22-23 October 2000).

<sup>4</sup> Other future sales – to Korea, Israel, Turkey, or Japan – could not but be influenced by this contract.

<sup>5</sup> *Le Monde* (22-23 October 2000) sticks to this explanation.

<sup>6</sup> Source: interviews.

was about to be created<sup>7</sup>. Security issues should also be taken into account at this stage, as the Taiwanese purchaser preferred a mutual agreement between the two competitors, instead of making a new invitation to tender, a solution that had the favour of the Americans<sup>8</sup>. As a matter of fact, reopening the bid would have delayed for several years the launch of the satellite scheduled for 2003<sup>9</sup>. Matra at once obtained the contract.

Though the Chinese authorities did not react at the time of the invitation to tender, the signing of the contract triggered severe tensions in the Sino-French relationship. Beijing put pressure on Paris to cancel the deal throughout 2000<sup>10</sup>, while the historical defeat of the Guomindang on 18 March exacerbated Beijing's irredentism. *Vis-à-vis* France, the Chinese authorities have insisted on the dual purpose of the satellite, as well as on the 1994 communiqué. Above all, they have concentrated, unsuccessfully<sup>11</sup>, the pressure on the Elysée, and, in doing so, they indicated how much importance they were attaching on personal links. The consequences of the Rocsat-2 deal on Sino-French relations can be differently assessed. If there has been no open crisis comparable with that of the 1992-1993 winter, the sale has not been without repercussions, be it the reduction of Jacques Chirac's visit in China from five to two days, or suspicions of retaliatory measures on the commercial ground<sup>12</sup>.

Two lessons at least can be drawn from the Rocsat-2 episode. First, the institution of a global partnership did not allow to avoid that a sale to Taiwan that fell in the scope of the only binding agreement – the 1994 communiqué - triggered a strong opposition from Beijing as soon as the object of the deal brings up, even indirectly, the issue of Taiwan's sovereignty. In this respect, the distinction made between civilian and military equipments turns out to be of little help. Therefore, one cannot but note the intrinsic weakness of the partnership that leaves aside such a tricky dispute, except for mentioning the ambiguous 12 January 1994

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<sup>7</sup> European Aeronautic, Defence and Space Company that, since 10 July 2000, groups the French Aérospatiale Matra (12,3 billion Euros turnover), the German Dasa (9 billions Euros), the Spanish Casa (1 billion Euros). Source: web sites of Matra ([www.matra.com](http://www.matra.com)) and Dasa ([www.dasa.com](http://www.dasa.com)) consulted on 1<sup>st</sup> March 2001.

<sup>8</sup> Source: interviews. However, the Americans could not compete as they did not have the required product.

<sup>9</sup> This deadline has been put forward by several interviewees. See also *Le Monde*, 22-23 October 2000.

<sup>10</sup> In particular when the Minister of Foreign Affairs Tang Jaixuan visited France in February 2000. The issue seems to have been carefully avoided during Jiang Zemin's meetings with Jacques Chirac in France in October 1999.

<sup>11</sup> It was not until Jacques Chirac's visit to China in October 2000 that the possibility of a cancellation of the contract was ruled out.

<sup>12</sup> In 1997, the EU representative in China raised a protest against alleged discriminatory treatments of firms from countries that had supported the proposed resolution condemning China's human rights record (Agence France-Presse, 21 mai 1997). The sale in 1999 of an observation satellite to Taiwan by France could explain that some key-contracts' negotiation had been delayed for months, as well as the exclusion of TotalFinaElf-Gaz de France from a 600 billions dollars deal for a gas tanker terminal in Shenzhen. Source: interviews and *Le Monde*, 22-23 October 2000.

communiqué. Such a silence is all the more blatant that the issues dealt with by the joint declaration are numerous.

Next, France's refusal to cancel the Rocsat-2 deal is more telling of the Paris-Beijing relationship - excluded, for the time being, from excessive pressures – than of any change in France's Taiwan policy. Certainly, since the institution of the partnership, France did not follow up Beijing's repeated demands that China's sovereignty over Taiwan should be mentioned in a joint declaration<sup>13</sup>. But the sale of an observation satellite was not accompanied by any kind of commitment, by France, in favour of a peaceful settlement of the Taiwan issue. Certainly, it is irrelevant to rely on such a hypothesis. However, the change of practice followed by France at the UN on the Taiwan issue can be recalled as it bears witness to the weight of Beijing's irredentism. Since 1993, Taipei's diplomatic allies<sup>14</sup> ask that the issue of its return to the UN be on the agenda of the General Assembly. If French diplomats have always voted against such a proposal, they refrained from making any comment. But such a restraint was abandoned 1999, a change that occurred stealthily owing to what was first considered as a mistake, and the next year, as a precedent that had been set, and therefore difficult to run counter to without triggering Beijing's strong reaction a few weeks prior to Jacques Chirac's visit to China. This episode reveals the contingency of any diplomacy<sup>15</sup>, but also the weight of the Chinese irredentism that, for a large part, relies on a progressive clarifying of what was supposed to remain tacit. But, in the end, such a process cannot but contribute towards legitimising Beijing's claim.

### *The Issue of Arms Sales: Market dynamics and European Integration*

The Global Partnership Declaration states that the two sides will deepen the bilateral dialogue on strategic issues, on defence issues in particular. Therefore, the crucial issue at stake is the lift of the embargo on arms sales to China. But this would not divert firms from the Taiwan arms market. Beyond matters of principle, market dynamics should, sooner or later, impose significant changes in this field.

As it has been decided in 1989, the banning of arms sales to China is no longer upheld for its very content, at least as for the countries that are not opposing anymore China at the UN

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<sup>13</sup> In particular when Jiang Zemin visited France in October 1999. Source: interviews.

<sup>14</sup> Their number is fluctuating around thirty.

<sup>15</sup> According to various sources, speaking for the first time in 1999 is ascribed only to the zeal of an inexperienced member of the French delegation, or to a cohabitation clash. However that may be, the following year, the French Ministry of Foreign Affairs did not oppose the ambassador when he ratified this practice.

commission in Geneva. As a matter of fact, within the global partnership, Chinese authorities have been insistent, on many occasions, about Paris achieving the lift of the European ban<sup>16</sup>. This cannot be done if only one member-state disagrees: it is thus necessary to persuade those of the member-states that are still criticising China in Geneva to lift the last sanction in order to favour French, German, or British interests. By the way, one cannot but note the weakness of such an embargo that did not set any deadline, nor precise armament list. For the time being, a temporary solution seems to be found by some firms when selling dual equipment to China<sup>17</sup>.

Besides, notwithstanding principles – turning or not the Tiananmen page -, and if one sticks to a strategic approach of this issue, one is forced to recognise that Chinese demands concern high technology equipments. The issue at stake is therefore twofold. First, can one sell very offensive arms to China at a time when the Sino-Taiwanese dispute can degenerate into an open conflict, and when, more generally, China is perceived as one of the main destabilising factor in the region. Next, there is the risk of dissemination that such sales can trigger. Therefore, and whatever the points of agreement stressed by the global partnership, Paris will have to wonder about Beijing's policy, both on the regional arena and as to proliferation.

A purely commercial approach of the issue is also ambivalent. In the eyes of armament firms, it seems that the Chinese market cannot vie with the Taiwanese one. But, if France played an important part in lifting the ban on arms sales to China, alleged effects in terms of key contracts are often put forward, implicitly or even explicitly, by Chinese authorities, and by some important French groups<sup>18</sup>. Considering the reserve mentioned above about the hypothesis of a trade-off strategy key-contracts vs. political, it will be a short-lived benefit. Still, selling high-tech arms to China concerns as much firms operating in the civilian realm as those in the military one.

Finally, as to arms sales to Taiwan, there are also several contending dynamics. Future disputes can be triggered by the signing of new contracts that Beijing would consider running counter to the 1994 communiqué. And the room for manoeuvre is getting more and more narrow, as testified, for instance, by the PRC's reaction to the sale of a satellite bought, officially, for civilian purposes. But French arms firms, and their state-shareholder put the stress on the fact that, beyond Taiwan's opportunities, it is the whole of export opportunities

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<sup>16</sup> Source: interviews.

<sup>17</sup> *La Croix*, 15 May 1997, and *Libération*, 16 May 1997.

<sup>18</sup> Source: interviews.

– and therefore the independence of France vis-à-vis the United States - that are heavily relying on the way the existing contracts with Taiwan are managed. More precisely, the follow-up– and therefore new arm exports –, during thirty years approximately, of the sixty Mirage 2000-5 ordered in 1992 will not only be a requirement for the Taiwanese client, but it will also be a reference – be it positive or negative – for potential clients<sup>19</sup>. More, it is in the field of military equipments that the Republic of China's past international recognition still works, in particular through personal relations that are existing at staff level. As a matter of fact, three of Taipei's last substantial diplomatic partners – Saudi Arabia, South Korea, and South Africa<sup>20</sup> - as well as Singapore that normalised relations with the PRC in 1992 only<sup>21</sup> are among the main export prospects for European fighter builders.

For the French side, the various dynamics can, in fact, be perceived as complementary, inasmuch as strengthening a multipolar world can be put forward so as to promote a privileged relationship with Beijing, as well as to keep a national defence. Insofar as they are antagonistic because of the Sino-Taiwanese dispute, and keeping in mind the fact that Beijing is often playing one country against the other, a common attitude, at the European level, should prevail. Such an attitude should, anyhow, be hastened by the industrial reshuffles in Europe. But, besides substantial renouncement of sovereignty, the Sino-French partnership will loose, once more, its *raison d'être*.

More generally, a policy centred on safeguarding a multipolar world brings to the fore the issue of strengthening the EU. On this very issue, one cannot but recall France's very ambiguous position. France China policy reflects an ambition, and, above all, serves a myth, that of France independence. But, in fact, France and China are both of little importance in their respective diplomatic agenda. This certainly is not the least paradox of a relationship based on exceptionality.

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<sup>19</sup> It seems that it is in this field that Dassault was the less successful in the past, in Latin America in particular. Source: interviews.

<sup>20</sup> These three countries established diplomatic relations with Beijing in 1990, 1992, and 1996 respectively.

<sup>21</sup> But Singapore had never established diplomatic relations with Taipei before.