

Economics Analysis Upon Options For Unification Paths Of China, and Equilibrium Of Political Field

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Abstract- For China national unification, from the perspective of institutional economics, the efforts from the Chinese Mainland authority as well as Chinese Taiwan local authority, are to better the value of state sovereignty. The unification path can be Hong Kong Mode, Federalism Mode, Quasi U.K. Mode, German Mode, Direct War Mode, Purchasing War Mode, and Political Parties Democratic Competition Mode. The War Mode costs a lot and is not the best choice for cross-strait reunification. Hong Kong Mode costs less, but Taiwan's current willingness to compromise is less. The Democratic Competition Mode would change the whole politics into the Western election politics, which could destroy Chinese Mainland's centralization, with gains as well as losses, while, it breaks through the Chinese Mainland's constitutional framework, from the comparison of the international and domestic forces between Chinese Mainland and Chinese Taiwan, the possibility is very low. If the long-term interests of the nation taken into consideration, the Federalism Mode is not bad, while, the quasi U.K. Mode can be a better choice. No matter how to achieve the reunification of the two sides, it is the behavior of the authority to optimize the sovereign value, a process for an equilibrium adjustment in the political field, and the law of the political field "the national sovereignty i.e. the collective human rights S, prior to the specific human rights M, prior to the specific regime G", i.e. "serving the people" functions. To maximize the value of sovereignty in line with 'S>M>G' (serving the people) is the inner law of long-term and short-term for the equilibrium adjustment in the political field, an "invisible hand" of the political field.

Index Terms- China unification; path choice; institutional economics; political field equilibrium

I. INTRODUCTION

Taiwan issue is a legacy of the civil war between KMT and CPC in the first half of the 20th century. At the end of 1940s, KMT was defeated in Chinese Mainland and retreated to Taiwan. CPC won the decisive victory and established Chinese Mainland regime in Beijing in 1949. This regime successfully defeated KMT regime representing China in the United Nations in the 1970s and became the only legitimate representative of China in the international community. However, China did not get the de facto unity of political power. Internationally, there is only one China. In terms of international politics, China has never been divided. In terms of domestic power, CPC dominates Chinese Mainland and KMT dominates Taiwan. It is one country

and two regimes. For historical reasons, the relationship between KMT and the United States is an benefit alliance in history. The relationship between CPC and the former Soviet Union (that is, Russia at present) is an benefit alliance in history. Although the relationship between China and the Soviet Union has experienced twists and turns, the need for geopolitical security and the balance of international cold war makes the relationship between CPC and Russia more cooperative than confrontational, more interdependent than conflicting. Due to the balances of international forces, CPC failed to unify China in a violence way, for example, the Korean War strategically restrained the military unification intention in Mao Zedong era; it also made a situation that CPC want to unify China peacefully with the Hong Kong mode, while Taiwan was unwilling to compromise. Along with the change of globe situation, the desire of both sides to solve the history issue is becoming stronger and stronger, and the situation for Chinese reunification is becoming increasingly urgent.

Since the reform and opening up in 1978, several generations of Chinese leaders have made pragmatic statements on the path choice of cross-strait reunification. In June 1984, Deng Xiaoping met with the delegation of Hong Kong industry and commerce visiting Beijing as well as the Hong Kong celebrity Zhong Shiyuan, Deng delivered a famous talk^[1] of "one country, two systems". Deng Xiaoping's "one country, two systems" is a reference to the unification of both sides, within CPC and the academia since the 1978 reform and opening up. On January 30, 1995, Jiang Zemin¹ put forward the eight point proposition for the peaceful reunification of China: "under the premise of one China, all issues can be discussed, including various issues of the Taiwan authorities' concern". On the afternoon of March 11, 2003, when Hu Jintao² participated in the Taiwan delegation at the first session of the 10th National People's Congress, he put forward four points on Taiwan issue, pointing out that there is only one China in the world, Chinese Mainland and Taiwan belong to one China, and Chinese sovereignty and territorial integrity are inseparable. China is a country of both sides and our common home. In January 2019, Xi Jinping³ put forward five proposals for the unification of Taiwan, including "promoting the national rejuvenation together and achieving the goal of peaceful reunification. We will explore the 'two systems' Taiwan plan and enrich the practice of peaceful reunification. "

¹ Jiang Zemin. People's daily. January 2009.

² Hu Jintao. China government website. March 2003.

³ Xi Jinping. People.com.cn. People's daily. 01, 02 2019.

Experts and scholars also made a lot of research on the choice of cross-strait reunification path, proposed federalism mode^{[2] [3] [4]} (Wang Yongsheng & Wang Huawei 1989, Lin Bohai 2001, Li Jiaojiao 2016), German mode^{[2] [5] [4]} (Wang Yongsheng & Wang Huawei 1989, Xia Lu 2008, Li Jiaojiao 2016), and violence mode^{[6] [5]} (Xia Lu 2004, Xia Lu 2008).

In addition to the above methods, this study assumes that the quasi U.K. mode is of high possibility. In the quasi U.K. mode, we accept the fact that there is a great disparity of force between both sides of the Taiwan Straits, and put "adhering to the leadership of CPC, adhering to the socialism road" into the constitution, while, the president of the country is elected from internal CPC and the premier is elected from different legal parties, such as KMT etc., while the president is the highest military commander of the country.

II. II. WHY TAIWAN CAN'T BE ISOLATED——THE LAW OF EQUILIBRIUM IN THE POLITICAL FIELD

According to Deng Xiaoping, sovereignty is a non-negotiable issue^[7]. Why can't sovereignty be negotiated? It is related to the fundamental interests of a nation. The primary function of each regime is to protect and develop the human rights of its own citizens, which is an important decision-making principle of the regime. Sovereignty is a collective human right in the history and reality of a nation. It affects the long-term human rights interests of every citizen and future generations. It is embodied at the collective property right of a nation on certain occasions. Property right is a part of human rights or an extension of human rights. When the sovereignty of a nation is violated, the human rights of specific citizens will be damaged eventually. The lack of sovereignty means that citizens and future generations of this country have no natural resources for survival and development, and, the right for survival and development is ultimately undermined. S for sovereignty (national collective human rights), M for specific human rights, G for specific regime,

$S > M > G$ inequation true, (1)

i.e., "sovereignty prior to specific human rights prior to specific regime" is established (1)

Specific human rights refer to the real human rights of a citizen, and specific regime refers to a real authority. This relationship shows that political parties run political power on behalf of taxpayers by winning their support; when they run a political power and fail to protect and improve the sovereignty of their own country, they also impair the human rights of every citizen and their descendants, which means that they are malpractice. Formula (1) $S > M > G$ also shows that the political power is the derivative of the sovereignty and human rights, its function is to protect sovereignty (national collective human rights) and develop human rights, that is, the purpose of CPC is to "serve the people", or "the people-centered". When the regime violates the law of inequation (1), the balance of the political field is broken, and social contradictions lurk, which provides impetus for the outbreak of social movements or institutional changes. In other words, when the political law "serving the people" contained in (1) $S > M > G$ is satisfied, the political field will achieve long-term equilibrium, and the society will achieve stable development; when (1) $S > M > G$ and the political law

"serving the people" contained are violated, the long-term equilibrium of the political field will not be realized, social contradictions will accumulate, social movements or institutional changes will occur, and the political field will be in danger, the adjustment will take place, and the time of adjustment depends on the internal and external strength allocation of the power system, as well as the development of the political field.

Whether we can "serve the people" in accordance with the political law (1) $S > M > G$ to continuously improve the value of sovereignty S and the value of human rights M is a sufficient and necessary condition for the realization of long-term equilibrium of the political field, and is also the internal law for the long-term and short-term adjustment in the political field: the collective people representing sovereignty and human rights choose the regime according to the principle of maximizing efficiency^[8]. Suppose there are political parties P1 and P2 in the political field in a complete competition politics. Will people choose P1 or P2? This depends on the comparison of P1 and P2's expectant ruling efficiency and the people's dominant psychological preference. If P1's expectant ruling efficiency E1 is higher than P2's, the people representing sovereignty and human rights will choose P1 to run power according to the principle of maximizing benefits; on the contrary, P2 will be chosen by the people. That is to say, the public collective chooses the political competition group with higher expectant efficiency, and the balance "serving the people" (1) $S > M > G$ in the political field is adjusted and realized by the public collective according to the principle of maximizing the sovereignty value and human rights value. The systemic reform of Chinese Mainland in 1978 came from the function of the political law "serve the people". The same was true in Taiwan's 2012 general election. Voters expected the ruling efficiency of KMT to be higher than that of DPP, so they voted for Ma Ying-Jeou, the candidate of KMT. At the beginning of 2020, those who have a greater preference for DPP in Taiwan prevailed, and Tsai Ing-Wen was elected. Therefore, the balance of political field is a process in which the masses can make a dynamic choice of political power according to the political law "serving the people" in (1) $S > M > G$, or a process of the power system to make institutional change and dynamic adjustment. Generally, the equilibrium in the political field is a dynamic and long-term equilibrium, which is different from the market equilibrium in the sense of general economics.

Putting aside the debate of capitalism and socialism ideology, observe the American system, the social stability of the United States over the past 200 years is due to the fact that the American system has better satisfied the political law in (1) $S > M > G$ "serving the people". In the past 200 years, Chinese society has experienced ups and downs, which was not stable. The main reason is that the political authorities had violated the political law in (1) $S > M > G$ "serving the people". The former Soviet Union and Eastern Europe in the early 1990s were no exception. Formula (1) $S > M > G$ is the root cause of all social movements and institutional changes in history, "serving the people" is like an "invisible hand", determining the long-term balance and short-term adjustment in the political field and guides the movement direction of human history. In other words, the transformation of human society is mainly driven by human rights and sovereignty struggle rather than class struggle, class conflicts were just a phenomenon of human rights conflicts and

sovereignty conflicts. When Deng Xiaoping and Mrs. Thatcher negotiated, he said that sovereignty is a non-negotiable issue. He knew that the failure to protect and improve Chinese sovereignty meant that CPC regime failed to perform its function of "serving the people". From the perspective of institutional economics, the people only care about whether the national sovereignty and their human rights are optimized or not, while, they would not mind which political party holds the power concretely. If the political party of incumbency fails to perform its duties, the people may vote with their feet, that is, sovereignty and human rights will reselect the power, which is the political law contained in (1) $S > M > G$. Deng Xiaoping knew the influence of sovereignty (collective human rights) upon people's psychological tendency, and came to the conclusion that sovereignty is not negotiable.

Taiwan has always been a part of Chinese sovereignty. Its status is basically unalterable in the psychology of all Chinese citizens. Taiwan cannot be separated, which has become the psychological preference of all Chinese citizens. This is the social psychological reason why Taiwan cannot be independent. From the military point, Taiwan is the lifeline of Chinese military in the sea, which is the key transportation route for China to participate in international maritime violence competition, which is the military reason for the unacceptable of Taiwan's independence. Formula (1) $S > M > G$ reveals that Taiwan's independence means that CPC or KMT's malpractice upon sovereignty, as is the political reason why Taiwan cannot be isolated. Taiwan is the lifeline of Chinese economy, which goes down south and up north to the Pacific, as is the economic reason why Taiwan can't be independent.

Before 1949, Taiwan independence was not the mainstream value in Taiwan, which shows that the Taiwan independence concocted by DPP is illegal.

III. THE CHOICE FOR THE PATH OF REUNIFICATION BETWEEN CHINESE MAINLAND AND TAIWAN

3.1 The violence mode

3.1.1 About violence

Violence refers to an active attack that infringes upon one's personal security, property right, or property right of an organization, or national sovereignty of a country. Douglas C. North, a new institutional economist, once pointed out that entities specializing in violence exist in different types of societies^[9]. Violence can be divided into implicit violence and explicit violence^[10]. The implicit violence refers to the behavior by contaminating the social relationship system of the attacking object^[10], or attacking the personal security, property right or national sovereignty of the victim in a non hostile status under the legal pretence by specific means. The essential characteristic of implicit violence is to graft illegal attacks on legal social activities. Explicit violence refers to the act of attacking the personal security, property rights or national sovereignty security of the other party directly by means of biochemical technology or non-biochemical technology without social relationship infiltration. The violence without informing the attacked can be either implicit or explicit. The arrangement of a nominal legal agent or agency within another organization or country to prepare for an attack is implicit violence. One country's direct military attack upon another country belongs to explicit violence.

It is a kind of implicit violence to destroy the defense system of the attacked by using the lack of psychological quality, knowledge or information of a member in the social relationship system of the attacked. The traditional beauty trap belongs to implicit violence. During the cold war, the infiltration between countries and the activities of the secret organization of every national intelligence agency were mainly based on implicit violence. The implicit violence between countries has the characteristics of concealment, long-term and corrosiveness, which is not easy to be detected and has a huge damage upon the whole system. Explicit violence has the characteristics of sudden and violent. During the cold war period, the violence in the hot war among different countries was usually a combination of implicit violence as preparation and explicit violence as formal attack. At the beginning of the 21st century, the U.S. government demolished the Saddam Hussein's regime, firstly, used the spy system to corrode Iraq's political and military system, a preparation for the overthrow of Saddam Hussein's regime by force. Gods know, Novel coronavirus pneumonia in the early 2020 was a soft war or not.

It should be pointed out that the violence order society directly violates the political law of (1) $S > M > G$. human beings' history have shown that the political field cannot achieve long-term equilibrium in that way, which is an unstable society. Sooner or later, it will have social revolution or institutional change.

3.1.2 Direct war mode

To understand Taiwan's reunification with the traditional social order, Chinese Mainland regime attacks Taiwan by violence, or the Taiwan regime attacks Chinese Mainland by violence. On this circumstance, regardless of the attitude from the United States, Chinese authority use soft or hard war to unify Taiwan. As mentioned above, China is mainly concerned about the involvement of the United States and other international factors. The existence of *The Taiwan Relations Act* shows that this concern is rational. However, the Taiwan regime should not rush to attack Chinese Mainland, and the extreme political forces of Taiwan should not easily declare independence. For, the United States is not willing to let the Communist regime attack Taiwan in a violence way, and at the same time, it is not willing to involve itself in a war at the Taiwan Strait. From the perspective of Cold War equilibrium, Taiwan regime's military attack upon Chinese Mainland or the sudden declaration of Taiwan independence by Taiwan extreme forces forced Chinese Mainland regime to choose violence suppression, and the Taiwan Strait war broke out. According to *The Taiwan Relations Act*, the United States gets involved. Russia and Chinese Mainland regime are interdependent cold war allies. Just as Chinese Mainland intervened in the Korean War in the 1950s, Russian regime may get involved after the United States intervened in the Taiwan Strait war. Next, Japan and India may step in one after another; the Philippines and Vietnam may also participate because of the Nansha issue, which leads to an increase for the risk of world war outbreak. Therefore, the Taiwan Strait war will not be a simple regional war. Its other implication is world war. The data of World War I and World War II show that the cost of war to human society is too great (Table 1).

Tab1.The cost of the war between Chinese Mainland and Taiwan of China
(With intervention of the United States Of America)

-
- (1) The collapse of the economy system.
 - (2) The collapse of social organizations and systems.
 - (3) The natural environment system can be destroyed.
 - (4) The system of cultural and moral environment can be destroyed, ethnic groups are torn and hatred grows.
 - (5) Increase the risk of spillover of civil war into a world war, and the cost of the international community grows.
-

Because of the accumulation of violence energy in common time, politicians with violence preference are eager to "try their martial potential" to vent, but there is no winner in the war, and the trauma of the war to the whole society is far-reaching and lasting. (1) (2) (3) (4) are long-term costs.(4) is the cause of the next round of violence war.

Even if the Taiwan Strait war is estimated optimistically, the United States does not intervene (Table 2), and the war ends

with the victory of Chinese Mainland regime. In this case, Taiwan may become ruins, the social and natural environmental systems in the coastal areas of Chinese Mainland and a small number of inland areas may be destructed at an unacceptable price. According to the analysis in Table 2, it is estimated that it will take at least 15 years for Taiwan and the coastal area of Chinese Mainland to rebuild after the war.

Tab2.The cost of the war between Chinese Mainland and Taiwan of China
(Without intervention of the United States Of America)

-
- (1) The collapse of Taiwan's economic system and the destruction of the economy in the coastal area of Chinese Mainland.
 - (2) The collapse of Taiwan's social organization and system.
 - (3) The natural environment system of Taiwan and parts of Chinese Mainland can be destroyed.
 - (4) The system of Taiwan's cultural and moral environment can be destroyed, which may lead to ethnic tearing and hatred.
-

Because of the high cost of violence mode, the reunification of Taiwan by violence is not a priority for both sides.

3.1.3 The way of purchasing war rights

The essence of Taiwan issue is an issue of U.S. intervention for the Chinese authority. Once the United States takes part in the war, it may turn into an Asia Pacific war or a world war. The above analysis shows that the negative consequence of the war are very painful for both sides and the world. In order to minimize the war losses, the Chinese government may consider purchasing the war rights from the U.S. government. For example, lobbying the U.S. Congress through diplomatic channels to cancel *the Taiwan Relations Act*, or asking the U.S. government to sign the war documents that it do not participate in Chinese military reunification of Taiwan on the condition that Chinese treasury bonds to the U.S. government are exempted. Under the democratic mechanism of the U.S. Senate and the House of Representatives, it is difficult to cancel *the Taiwan Relations Act* or for CPC to purchase the right of unification war. However, it is possible. Chinese comprehensive national strength is growing, Chinese foreign affairs capability is not weak, and the United States government is relatively poor, so the opportunity for innovation of ideas to become a reality has grown. Some people may object to the way of buying the right of war for it is a shame to China, but they forget the fact of the U.S. *Taiwan Relations Act*.

No matter whether the civil war spills into a regional war or world War, the realization of Chinese reunification by violence will cause different degree damage or destruction to the natural environment of the international community, that is, harm to the public rights and interests of human society. The public rights and interests of human society are called international sovereignty or international public rights. If W is used to denote international public rights, then Formula (1) $S > M > G$ can be written as

$$W > S > M > G \quad (2)$$

i.e. "international public rights prior to national sovereignty prior to specific human rights prior to specific regime" (2) "

Formula (2) is the basis of long-term and short-term changes in the field of international politics and the internal basis of future international political and economic integration. The restriction of international factors is also an important reason why violence is not the first choice to fulfill Chinese reunification. It must be noted that the movement law of public interest rights in the international political field represented by formula (2) $W > S > M > G$ is not as obvious as Formula (1) $S > M > G$ at current time, because "international public rights W prior to national sovereignty S" conflicts with the existing systems of most countries as well as the values of most national authorities and people. In the field of international politics, there are many difficulties that need to be overcome when the formula $W > S > M > G$ changes from spontaneous to conscious. The

formula (2) is not sheer fallacy, but consistent with Xi Jinping's thoughts of the human common fate community. The objective existence of the international community public rights is like a community in which a family constantly produces natural environmental pollution, littering, noise, or moral environmental pollution, sells drugs and guns, buy or sell prostitute services, abducts and sells women and children, which will eventually impact the life and peace of the whole community. Not to mention that Taiwan's isolation force will affect the happiness of the people in the Asia Pacific Region, the 2020 novel coronavirus pneumonia spread in the world proved that Xi Jinping's Human Common Fate Thoughts is an inevitable choice of human society. It proves that the international community's public rights W is an objective fact. "The world is a global village".

3.2 The Hong Kong Mode or the Federalism Mode

Deng Xiaoping took a flexible attitude to recover Hong Kong. Chinese Mainland and Hong Kong implemented different systems in one country, that is, Hong Kong adopted the western system^[7]; Chinese Mainland adopted the centralized system led by CPC. The Hong Kong Mode is the unification approach advocated by Chinese Mainland regime. It is acceptable for the international community to accept the unification of China and Taiwan with Hong Kong Mode (Table 3), but Taiwan's major political parties do not support much.

The Federalism Mode seems to have been recognized by the leaders of CPC. Many scholars have also studied it. Here we study it together with the Hong Kong Mode.

Tab3 The contrast between the cost and the revenue of the unification for Chinese Mainland and Taiwan ,
 under the Hong-Kong Mode or the Federalism Mode

| costs | revenues |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Political negotiation costs. | 1. Cross-strait market integration reduces the trade costs of both sides, such as transportation costs, enterprise negotiation costs, and gets gains from the expansion of trade fields and trade scale. |
| 2. Design costs of political system. | 2. It reduces the huge cost of political negotiations between Chinese Mainland, Taiwan and the international community, reduces the annual political aid for foreign diplomacy by the Taiwan authority, and reduces the huge payment by Chinese Mainland regime to strive for the commitment "one China" from other countries. |
| 3. KMT and other political parties have changed from a worldwide influence party to a domestic local party. | 3. Eliminate lobbying expenses and preventive war expenses for neighboring countries incurred by Taiwan issue. |
| 4. Corruption and social transaction costs caused by power concentration in Chinese Mainland may continue to exist. | 4. Eliminate the negotiation costs and preventive war expenditures for the United States and other countries incurred by Taiwan issue. |
| 5. The trade volume between Chinese Mainland and Hong Kong, Macao tends to decrease due to direct cross-strait trade. | 5. Eliminate the negotiation costs for the United Nations and other international public organizations due to Taiwan issue. |
| | 6. It eliminates the huge preventive war expenditure incurred by the reunification of Chinese Mainland and Taiwan. |
| | 7. It eliminates the psychological tension and various negative expectations caused by the war risk in the international and domestic society, and gets inestimable social psychological relaxation effect. |

Unifying Chinese Mainland and Taiwan with the Hong Kong Mode or Federalism Mode, the benefits are far greater than the costs, which is acceptable for the world as well as the domestic. From the perspective of institutional economics, all kinds of corruption, bureaucracy, high social transaction costs^[11] and internal friction costs caused by improper centralized management arrangement in the political field in China may continue to exist, which is the loss of domestic political and economic efficiency. To unify Chinese Mainland and Taiwan with the Hong Kong Mode, in the period when the extreme Taiwan independence forces takes charge of Taiwan, the

possibility of success is relatively small; in the period when KMT is in charge, KMT might accept it after changing its mindset.

Many senior leaders in Chinese Mainland agree with the Federalism Mode, and Taiwan seems to be more active. Using (1) $S > M > G$ for analysis, after the unification with the Hong Kong Mode or the Federalism Mode in China, the political field in Chinese Mainland is still a centralized system, and the supervision manner is mainly internal supervision. The phenomenon of the public power harming human rights or sovereignty may exist at partial circumstances. The public

collective representing sovereignty and human rights can't make the maximum choice for regime freely. There may be efficiency loss in the political field in Chinese Mainland politics, there are still political interest surplus not gained and a drive for institutional change. In 2013, Xi Jinping and his colleagues took power, restarted Chinese political prosperity, and released the efficiency of the totalitarian politics. However, democratic politics in the United States and Western Europe has been absent from the supply function of social spiritual civilization for a long time, and the long-term accumulation of social side effects of insufficient supply of spiritual civilization begun to burst out. The western democratic society encounters dilemma, and the myth of democracy omnipotence is broken. Since 2013, the failure of Western democracy and the success of Chinese centralization have changed world people's sights. From the Covid-19 emergency management efficiency, changed people's concept. Centralized politics or democratic politics, if they can not effectively and harmoniously supply material as well as spiritual civilization, both will encounter difficulties or even

failures. Democracy and centralization can't be regarded as the final standard to judge the social quality, while, the two civilizations are. Especially the novel coronavirus pneumonia event has been successfully demonstrated the argument. Deng Xiaoping's theories of two civilizations could be the greatest discovery of political economics in the 20th century.

3.3 Democratic Competition Mode of Political Parties

The other choice is to break through the current constitutional framework of Chinese Mainland, CPC take out some political interests, breaking the centralized system in the political field of Chinese Mainland, conducts political voting competition with the main parties on both sides of the Taiwan Strait, to realize the balance of political interests for all major parties by emulating the bipartisan system of the United States or the multi-parties system of democratic countries, and finally realizes the political unity of Chinese Mainland and Taiwan (Table 4).

Tab.4 The contrast between the cost and the revenue of the unification for Chinese Mainland and Taiwan under the complete political competition mode

| costs | revenues |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Political negotiation costs. | 1. Cross-strait market integration reduces the trade costs of both sides, such as transportation costs, enterprise negotiation costs, and gets gains from the expansion of trade fields and trade scale. |
| 2. Design costs of political system. | 2. It has reduced the huge cost of political negotiations between Chinese Mainland, Taiwan and the international community, reduced the annual political aid for foreign diplomacy of the Taiwan regime, and reduced the huge political payments of Chinese Mainland regime to strive for other countries' "One China" commitment. |
| 3. CPC lost its centralized position in Chinese Mainland and many acquired political interests. | 3. After the break of power centralization, the public power has changed from internal supervision to external supervision. The friction costs within mainland society and CPC would decrease significantly, social corruption would decrease significantly, corruption and bureaucracy may be more effectively controlled. |
| 4. After the centralization system is broken, the expected efficiency of political decision-making would decrease, and it is likely to fall into a mode just as the US government and Taiwan local government often dispute for major decisions. | 4. After the break of power centralization, the expected quality of political decision-making may also be improved. |
| 5. The costs of overcoming the resistance from the vested interest groups and value conservatives against reform within CPC. | 5. Eliminate lobbying expenses and preventive war expenses for neighboring countries due to Taiwan issue. |
| 6. The trade volume to Hong Kong and Macao tends to decrease due to direct cross-strait trade. | 6. Eliminate the negotiation costs and preventive war expenditures for the United States and other countries due to Taiwan issue. |

7. Although centralization and corruption is the fertile soil of soft war by external spy system, unlimited democracy may also become the loophole of soft war attack by external forces.

8. Democracy out of management control may also be a hidden danger for the future division of the country.

9. The weak government caused by improper democracy management may also increase social costs such as populist movements, for example, the Yellow Waistcoat movement in Paris, France in 2019, and the youth riots in Hong Kong in 2019, which cause huge losses to the society.

7. Eliminate the negotiation costs for the United Nations and other international public organizations due to Taiwan issue.

8. It eliminates the huge preventive war expenditure incurred by the reunification of Chinese Mainland and Taiwan.

9. It eliminates the psychological tension and various negative expectations caused by the war risk among the international and domestic society, and gets inestimable social psychological relaxation effect.

From the perspective of the academic research of institutional economics, the interest balance of different political parties in China has been realized in the democratic competition mode, the sovereign value of China is bettered, and the phenomenon of regime harming human rights, sovereignty and other violations the political law of (1) S>M>G "serving the people" caused by improper centralization in Chinese Mainland has been reformed. It is possible to more effectively eliminate the social corruption in Chinese Mainland, reduce the internal friction costs of Chinese Mainland society and CPC, solve the two major problems of the national sovereignty reunification and Chinese Mainland political reform simultaneously, enhance the social utility in China and the sense of security for the international community. Therefore, the political field in China can obtain a long-term equilibrium, which is worth giving serious consideration by all parties in Chinese Mainland and Taiwan.

However, the western democratic politics lacks the function of supplying spiritual civilization, which exposes various problems and breaks the myth of omnipotence of democracy politics. Improper democracy management causes other major losses, such as (4) and (7) (8) (9) in Table 4. From the perspective of Chinese Negative-Positive philosophy, democracy and centralization, as a pair of the Negative-Positive, is not only contradictions, but also unified supplements. It is a mistake of human understanding to utterly contradict democracy with centralization. India has run western democracy for many years, which is no more successful than the centralization system of China and Singapore. Therefore, as a means of political governance, democracy and centralization should be used by discretion or circumstance-oriented. Some circumstances for democracy, others for centralization. It is a wrong cognition zone of human being to take democracy or centralization as the highest political value, as has been strongly proved by the fact the wrangling democracy in the US Congress has been making great failure.

The Chinese are smart, engage in "democratic centralism", which seems contradictory and strange, while, it conforms to the world essence of "one Negative and one Positive is called Tao". The essence of the world is the mutual existence of Negative and Positive, so is politics.

From the current reality, the realization of national unity by means of democratic competition of political parties would break

through Chinese constitutional system, and there are great difficulties in legal system. Comparing the international influence of CPC and KMT, they two have great differences in strength. It is not easy for CPC to accept this mode psychologically.

3.4 Quasi U.K. Approach

The way of war makes life miserable. The destructive power and lethality of contemporary war are far from the war in the first half of the 20th century. Previous wars may only hurt lives, and the war in the 21st century may be the war of "dying together" to ruin the earth. Chinese war capability is certainly not as good as that of the United States. While, Once all sides are driven mad by the killing, the animal side of the human race is out of control, the Chinese Army's attack capability is obviously unbearable to the United States. If China buys the right for war from the United States and a local war breaks out, gods know how many lives will be killed, or even let Taiwan return to its economic level before 1950s. The way of war is obviously not the first choice for both sides. A soft war, assuming the 2020 Covid-19 be a bacteria war among international society, which could weaken the other side, but it is far away from the reunification of the two sides, what's more, killing people by creating an epidemic is not a good matter either.

The Hong Kong Mode, Taiwan is not active, the Federalism Mode has not gotten enough attention, and the American Democratic Mode is very difficult. Therefore, scholars who are concerned about national unity have written to the annual two sessions of China and proposed a Quasi U.K. Mode,

A Quasi U.K. Mode to the reunification of both sides of China

"Advise that the leadership of CPC and the socialist road should be written into the constitution. On the condition of the constitution, the president of China should be elected within CPC, and the premier could be elected from all legal political parties supporting national reunification. The president is the supreme military commander, on this basis, the complete reunification of China should be promoted."

There are also risks in value transition and system transition in the Quasi U.K. Mode unification, which tests the ability of both sides to control the risk of system reform, especially the ability of CPC. In the Quasi U.K. Mode, CPC has the political,

military and ideological power given by the constitution, which is much greater than the power of the U.K. queen, and the actual control power is still in the hands of CPC. This approach would damage both CPC and KMT, while, would be more difficult for KMT to accept. At present, the tradition of internal struggle and conflicts of KMT has not been eliminated, and they are not united. There is a risk that KMT would embark on the old path of

the communist party of the Soviet Union, and they have few choices. What concerns Chinese Mainland is the collusion between Taiwan independence extremists and the right wing of the United States. It is possible for CPC and KMT to consider the Quasi U.K. Approach after weighing the future of the country and the nation as a whole.

Tab.5 The contrast between the cost and the revenue of the unification for Chinese Mainland and Taiwan under the quasi U.K. mode

| costs | revenues |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Political negotiation costs. | 1. Cross-strait market integration reduces the trade costs for both sides, such as transportation costs, enterprise negotiation costs, and gets gains from the expansion of trade fields and trade scale. |
| 2. Design costs of political system. | 2. It has reduces the huge costs of political negotiations between Chinese Mainland, Taiwan and the international community, reduces the annual political transaction aid by Chinese Taiwan regime, and reduces the huge payment by Chinese Mainland regime to strive for the 'One China' commitment from other countries. |
| 3. Value transition risks, system transition risks. | 3. The external supervision for public power would increase, the friction costs within mainland society and CPC would be further reduced, social corruption may be further reduced, corruption and bureaucracy may be more effectively controlled. |
| 4. After the partial damage upon the centralization system, the expected efficiency of political decision-making would decline, and it is possible that Taiwan local government would often fall into disputes for major decisions, just like the U.S. government or U.K. government. | 4. After the partial damage upon power centralization, the improvement for the expected quality of political decision-making is possible . |
| 5. The costs of overcoming the resistance from vested interest groups and value conservatives against the reform within CPC. | 5. Eliminate lobbying expenses and preventive war expenses incurred by neighboring countries due to Taiwan issue. |
| 6. The trade volume between Hong Kong and Macao would decrease due to direct cross-strait trade. | 6. Eliminate the negotiation costs and preventive war expenditures for the United States and other countries due to Taiwan issue. |
| 7. The corruption caused by centralization is certainly the fertile soil for the soft war by the external spy system, however, the democracy out of control may also become the loophole of the soft war attack from external forces. | 7. The negotiation costs for the United Nations and other international public organizations due to Taiwan issue will be eliminated. |
| 8. The democracy out of control may also be a hidden danger for the future division of the country. | 8. It eliminates the huge preventive war expenditure incurred by the reunification of Chinese Mainland and Taiwan. |
| 9. Improper democracy weakening centralization may also increase social costs such as populist movements, for instances, the Yellow Waistcoat Movement in Paris in 2019, and the youth riots in Hong Kong in 2019, causing huge losses to society. | 9. It eliminates the psychological tension and various negative expectations caused by the war risk in the international and domestic society, and gets inestimable social psychological relaxation effect. |

3.5 Other Possibilities

According to Internet rumors, the predecessor of Taiwan DPP is a CPC branch, which cannot be verified. But Li Denghui, Chen Shuibian and Cai Yingwen did have ties with CPC. Before 1949, Taiwan independence was not the mainstream value in

Taiwan, which shows that the Taiwan independence concocted by the DPP is illegal. It is difficult for the right wing of the United States to change their minds of zero-sum game and they fail to really accept the concept of global community of shared future for mankind. In past years, in order to curb the rise of

China, they violated of the spirit of the Sino-US Joint Communique, the right wing of the United States has worked closely with Taiwan independence extremists, become the international background for Taiwan independence extremists, as has left room of imagination for the Taiwan independence extremists.

In recent years, Taiwan's Unification Promotion Party (UPP) has risen up. Although their energy is small, they are generally welcomed by Chinese Mainland. The idea of reunification is supported by Chinese ancestors' energy. Once they gain the support from all Chinese people, it cannot be underestimated.

IV. IV. INSTITUTIONAL CHANGE AND EFFICIENCY COMPARISON AMONG DIFFERENT UNIFICATION APPROACHES

The above analysis shows that the cost of realizing the reunification of Chinese Mainland and Taiwan by violence is high, which is unacceptable to both the international community and the domestic society. Even in extreme case, the mainland unifies Taiwan by violence, and the whole political field of China became centralized politics. The public power of centralization is mainly internal supervision, which would still infringe on citizens' human rights or damage state sovereignty to various degrees, violating the political law of "serving the people" in formula (1) $S > M > G$, the public collective on behalf of sovereignty and human rights can not make the maximum choice for political power. The society violating the political law, that is, the society in which the regime harms human rights is unbalanced and unstable. The repeated changes of feudal dynasties, the capitalist revolution and the Communist movement in history prove that behind the complex social changes, the political law "serve the people" (1) $S > M > G$ functions. Hong Kong mode, the benefits are greater than the costs, but they are not in line with the reform of the political system in Chinese Mainland. In other words, there are huge social friction costs in the mainland, and there is still a driving force for reform in the political field. The Hong Kong Approach for China reunification can only be a short-term equilibrium. From a long-term perspective, under the political law of "serving the people" (1) $S > M > G$, the whole political system still has a drive for reform. From the perspective of institutional economics, the approach of democratic competition by political parties (American approach or multi-parties approach) is a choice to be considered for the reunification of Mainland and Taiwan. It maximizes the overall interests of the domestic society and the international community in the short term, and satisfies the political law of "serving the people" (1) $S > M > G$ in the long term. The public collective on behalf of sovereignty and human rights can freely choose the political power. However, in recent years, the western democratic way has been absent of supplying spiritual civilization to the society. Xi Jinping's spiritual civilization has led China successfully, breaking the myth of the Western Democracy System. Democracy and centralization, as the means of national governance to supply material civilization as well as spiritual civilization, are complementary to each other, and they cannot be regarded as the highest political value. Democracy or centralization, employing them by circumstances, such as

Chinese "Democratic Centralism", are in line with the truth of reciprocally beneficial in Chinese Negative-Positive philosophy. The major defect of the public power allocation system in democratic competition of political parties is that the decision-making speed is slow, the parliament become a competitive place for different social interest groups bargaining with each other to maintain the private interests of interest groups. There are losses of efficiency, as is not conducive to rapid decision-making in the state of national crisis. For example, in 2011, the Obama administration of the United States experienced great resistance for health care reform. In the Western Democracy approach, different political parties focus on power and party competition, overemphasizing the freedom of human nature, neglecting moral education and spiritual guidance for citizens, neglecting to increase the supply of spiritual civilization. As a result, for example, in the current United States and Western Europe, the function of the government's supplying spiritual civilization is blank, and the society is suffering from social mental failure and many other social problems due to the lack of supplying spiritual civilization. Finally, the social system encounter obstacles or even crises.

Therefore, Chinese unification approach can't simply repeat the American bi-partisan system or western multiparty system, but must add an institutional tool or design, for example, to establish the national decision-making law under the crisis state, or to use the arbitration by the national supreme court to replace the parliamentary vote for vital decisions, so as to overcome the institutional defects of the U.S. bi-partisan system or the multiparty system. At the same time, it is necessary to carry out institutional reform or institutional setting to strengthen the Function of Spiritual Civilization Supply of the government, enforce civilizing the residents. For example, in addition to strengthening the banner role of CPC members in the community and the education, the authority also set up Spiritual Civilization Institutions specially responsible for spiritual civilization, guiding the hearts of the people and strengthening the support for legal religious undertakings and religious personages.

In current situation, there is a big gap between the strength of Chinese Mainland and Taiwan. CPC's reputation in the international community soars up. The possibility of Quasi U.K. Approach or Federalism Approach is increasing. Or, the Quasi U.K. Approach is a better choice.

V. V. CONCLUSIONS

Institutional change is political truth, and the argument that the constitution cannot be changed will not able to withstand the test of history. Since the history of mankind, reform and truth are greater than the constitution. The statement that the constitution cannot be reformed runs against the political science. Xi Jinping's Five Major Concepts⁴ on Development are philosophy for national governance, including reform and innovation, and Li

⁴ Xi Jinping. Xi Jinping's speech at the second meeting of CPC in the fifth Plenary Session of the 18th CPC Central Committee. People's Daily - People's daily. 2015.

Keqiang⁵ encourages "advancing the reform with a determined attitude just as a brave warrior cutting his wrist." "There is nothing permanent in the world," Wen Jiabao⁶ said at the press conference in Chinese two sessions in 2011. In March 2012, Wu Boxiong⁷ of KMT, proposed to unify with the approach of 'one country, two regions'. In May 2012, Ma Ying Jeou⁸ of KMT, proposed to adopt the German approach for reunification. Considering the interaction between Taiwan independence extremists and the international community, CPC and KMT may compromise with each other and choose the Quasi U.K. Approach, that is to say, the Chinese president is elected by the internal candidates from CPC, and the Chinese premier is elected by different parties such as CPC, KMT etc.. The Federalism Approach is good. Considering the reality and the Chinese philosophy of Negative-Positive, the Quasi U.K. Approach may be more ideal.

From the point of institutional economics, in traditional society, social change and institutional change^[12] is a process of spontaneous adjustment from non-equilibrium to equilibrium in the political field according to the political law of "serving the people" (1) $S > M > G$. In contemporary society, social change and institutional change are a conscious process of approaching and optimizing the political field from non-equilibrium state to equilibrium state according the political law "serving the people". The negotiation between both sides of Mainland and Taiwan to achieve the unification of state power and sovereignty in fact is the behavior of the regime to optimize the value of state sovereignty, and also the behavior of different political forces to promote the political field to "serve the people" (1) $S > M > G$ to adjust from the unbalanced state to the balanced state. According to the political law "serving the people" (1) $S > M > G$, the issue of Chinese reunification is essentially an issue of equilibrium in the domestic political field, the law of the political field functioning. Chinese reunification is the adjustment of long-term equilibrium in the political field, the inevitable requirement of political laws, and the inevitable requirement of national sovereignty upon a regime. The reunification of Chinese political field is only a matter of time.

Xi Jinping Thoughts shows the charm of Chinese wisdom and Chinese stronger capacity governing the country. Can CPC with Xi Jinping as the core achieve a good choice for peaceful reunification of China? People will see.

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⁷ Wu Boxiong, a delegation led by Wu Boxiong, talks with Hu Jintao during his visit to Chinese Mainland. Taiwan Lianhe daily, March 2012.

⁸ Ma Ying-Jeou. German unification the first mock exam. It can serve as a reference for both sides. Global times. May 2012.

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