

“Managing the Cross-Strait Issue”

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Paper prepared for the NCAFP-Tsinghua University conference

New York, November 9-10, 2010

Introduction

The purpose of this paper is to examine the strategic goals of the three major players in cross-Taiwan Strait matters—the United States, Taiwan and the People’s Republic of China—and to suggest, in light of their compatibilities and incompatibilities, how to successfully manage the cross-Strait issue.

Strategic Goals

United States

Strategic American goals in approaching the cross-Strait issue include:

- Consistent with the larger vital U.S. interest in East Asia, to maintain peace and stability across the Strait
- To prevent challenges to that peace and stability from either side, whether through the use or threat of force/coercion from Beijing, or political provocation such as movement toward “Taiwan independence” from Taiwan
- While not opposing or seeking to disrupt cross-Strait reconciliation, or even ultimate unification, to ensure that both sides consider U.S. economic, political and security interests
- To help promote further development of democracy and prosperity in Taiwan while also maintaining “positive, cooperative and comprehensive” relations with the PRC
 - Within this framework, to promote Taiwan’s “meaningful participation” in the international community, but, consistent with the long-standing U.S. “one China policy,”
 - To do so on a basis that does not give rise to the question of “one China, one Taiwan” or “two Chinas”

In pursuit of these goals, the United States seeks to maintain the closest possible communication with both sides, not only to prevent surprises, but also to be in a position to help forestall

possible problems or crises in the future that might arise out of actions by either side or from misunderstandings or miscalculation.

The United States seeks to ensure that both sides understand that, while it is committed to helping Taiwan create an effective deterrent and defensive capability, this is not a basis for avoiding steps that will reduce cross-Strait tensions. Thus, although it is up to Taiwan to decide what CBMs to engage in, and whether—and when—to pursue a peace accord, Taipei should not avoid those issues out of concern that the United States would pull back from security support, including arms sales.

Of course, while the United States does not sell Taiwan equipment that Taipei has not requested, it also makes its own judgments about which requests to act on. In making these judgments, Washington factors in the overall situation, including its own responsibilities and commitments.

That being said, it bears repeating that the United States is committed to ensuring Taiwan is not coerced into decisions about its future. As long as there is a PRC military threat to the island,¹ Taiwan will have a continuing need to maintain and upgrade various defensive capabilities, not to keep pace with Beijing—it cannot do that—but to possess a sufficient deterrent to make the use or credible threat of force a high-cost option for the PRC. And in that circumstance, in one form another U.S. arms sales will continue.

Obviously, if the PRC threat were truly reduced, not by symbolic steps but through significant changes in PLA procurement and deployment patterns, then Taipei and Washington would want to reconsider the composition of such arms transfers in light of Taiwan's changed defensive needs. The U.S. is not looking for ways to confront Beijing gratuitously or contribute further to the already high level of mutual strategic suspicion, and from a Taiwan perspective, we can already see the strain that large arms purchases put on Taipei's budget.

But under current and foreseeable circumstances, despite PRC rhetorical questions about why arms sales are needed when tensions are down, the basic realities are unchanged. The PLA will continue to maintain—and increase—the ability to deter and, if necessary, defeat Taiwan independence. And though the way it maintains that capability may change over time, it will do so until the day, not of a peace accord, but of unification.

So, while the U.S. is pleased with the reduced level of tension at this moment, it continues to focus on the requirements to maintain peace and stability in the event that the situation changes. Meanwhile, the United States will maintain its posture of “strategic ambiguity,” which tells Taipei not to assume U.S. intervention on its side if Taiwan provokes a conflict and Beijing not to assume the United States will not come in if the Mainland uses force.

Taiwan's strategic interests

Taiwan's strategic interests center around ensuring preservation of its security, on the one hand, and promoting its democracy and prosperity, on the other. Pursuing these goals involves not merely bilateral cross-Strait relations, or even just relations with the United States. It also includes broadening Taiwan's connections with the rest of the world, what it calls "international space."

An important issue that permeates Taiwan's overall thinking is that of identity. There is, of course, a very vigorous and often heated political competition in Taiwan, and that competition revolves in important measure around the issue of identity. Primarily, though not exclusively by any means, it is between those who can roughly be categorized as pan-Blue and those who are pan-Green. A key central cohort, however, is those who are not affiliated with either group, and these people can often swing elections.

The origins of the Green movement are to be found in the resentment against the repressive control of Taiwan politics by the KMT regime that imposed itself on the island in the 1940s. But as that repression eased and eventually disappeared, the issues more frequently centered on identity as "Taiwanese" or "Chinese." In my view, even these distinctions have largely faded, and most people on the island today self-identify as "Taiwanese." But the political imperative to deny their "Chineseness" is no longer compelling, as it once was.

That being said, efforts to negotiate a formal cross-Strait cultural agreement could bring out concerns on the island a) that "Chinese" culture will come to dominate "Taiwanese" culture and b) that this could be a back-door effort to move to unification. With cultural exchange the next item on the agenda, authorities on both sides will need to address this issue with some care.

What is compelling for most people in Taiwan is not to be forced to unify with the Mainland. Whether or not some sort of unification may become acceptable someday, there is sensitivity across the political spectrum a) not either to be forced or lured into unification while, at the same time, b) not allowing their own political leaders to risk all they have achieved by precipitating an unnecessary confrontation with the Mainland over sovereignty issues.

There are, of course, still fundamentalists who want not only to consolidate de facto independence—and to gain international recognition of it—but to expressly hold the door open to eventual de jure independence, as well. But a careful reading of statements by current DPP leaders reveals not only that they are in no doubt about the imperative of positive and productive ties with the Mainland, but that they also understand that strident advocacy of "independence" positions is not a politically winning approach within Taiwan.

Despite the DPP's best efforts to paint President Ma Ying-jeou's cross-Strait policies as both disadvantageous on their own terms and as the first steps on the slippery slope to inevitable incorporation into a "one China" dominated by Beijing, the Taiwan public largely isn't buying

this view. This is perhaps most evident with respect to the reasonably high public support for ECFA—despite the fact that everyone understands that unification is the PRC’s ultimate goal and an important underlying rationale for the generous terms granted to Taiwan under ECFA.²

One consequence is that the DPP candidates in the November 27 mayoral election contests have consciously decided not to focus on ECFA as a campaign issue, but rather to base their campaigns on local bread and butter matters such as economic growth, education, social welfare, transportation and health care. At the same time, the DPP leadership has acknowledged the need to fashion an approach to the PRC that does not risk Taiwan’s security and well-being by being overly confrontational. What the eventual specific elements of such a policy will be is not known; the DPP has had a very difficult time gaining consensus on this question. So far, the best they have been able to come up with is to reiterate the 1999 Kaohsiung resolution position that Taiwan, known as “the Republic of China,” is a sovereign, independent state, and that any change in its status would have to be approved by the people of Taiwan through a referendum.

In light of this pro-Green position, as the Ma Administration proceeds in a determined fashion to weave a web of productive cross-Strait relationships that it believes are essential not only to Taiwan’s economic well-being but also to its security, it needs constantly to insist that it will do nothing to compromise the “sovereign, independent” standing of “the Republic of China” or that creates the inevitability of unification through excessive dependence on the Mainland.

As we move later to discuss the Mainland’s own strategic objectives, we will find that this constraint on Ma is of growing concern to Beijing.

One of the ways that Taipei currently underscores its determination not to be subjugated to Beijing is to maintain as robust a defense as possible. This, of course, entails arms purchases as well as other security relationships with the United States. Although many of these relationships and pieces of equipment are militarily significant, the political significance of U.S. support is at least equally important—probably substantially more so.

But as Ma has said on numerous occasions, not just acquiring sufficient arms but building strong economic and social ties to the Mainland is also a critical element in guaranteeing Taiwan’s safety. In important part this emphasis on non-military factors derives from the fact that, in the Chen Shui-bian years, Beijing came to the sensible position that its first priority was to prevent Taiwan independence, not to push reunification. Moreover, what Beijing defined as constituting formal, de jure Taiwan independence became much narrower, thus setting up a situation in which the hurly-burly of the robust political system on the island would not trigger unnecessary crises.

Both during the presidential campaign of 2007-2008, and during most of his initial year in office, Ma spoke in positive terms about a cross-Strait peace accord. He seemed to see this as a way of stabilizing relations for a considerable period of time and ensuring the endurance of the third element of his mantra on “no unification, no independence, no use of force” with the “no independence” piece the key to securing PRC concurrence.

However, domestic political resistance to any “political” dialogue, much less a peace accord, caused Ma to put off such matters until at least 2012, after he was, he hoped, elected for a second term. While, to the dismay of many in the Mainland, Ma did not promise he would engage in political dialogue even then, he did acknowledge that such dialogue would have to come at some point. So the issue is not that he is refusing to engage in such dialogue, but rather that he is not committing himself at this time one way or the other.

International space is not only an issue of great salience in Taiwan but also one of the trickiest to manage. Beijing welcomed Ma’s inaugural statement that “We will...enter consultations with mainland China over Taiwan's international space and a possible cross-strait peace accord.”³ PRC officials pointed out that neither Lee Teng-hui nor Chen Shui-bian had been willing to talk with the Mainland about this issue; they merely plunged ahead trying to expand Taiwan’s participation in the international community, often in a highly confrontational manner. Ma was apparently taking a different approach.

As we think about that, however, one also needs to keep in mind Ma’s next sentences: “Taiwan doesn't just want security and prosperity. It wants dignity. Only when Taiwan is no longer being isolated in the international arena can cross-strait relations move forward with confidence.”

But if Beijing has more or less gone along with Ma’s proposal for a “ceasefire” in the international community—especially in terms of not seeking to steal each other’s diplomatic partners, the so-called “diplomatic truce”—progress has been extremely slow with respect to efforts by Taipei to participate actively in a wider range of international organizations. Even in the realm of international *non*-governmental organizations (NGOs), Taiwan delegations have felt pressure from their PRC counterparts to use names such as “Chinese Taipei” or even the anathematic “Taiwan, China.” In fact, “Chinese Taipei” is only really acceptable (and then rather grudgingly) where sovereignty could be an issue in an official organization. The recent incident at the Tokyo Film Festival merely brought to public attention what has been a serious problem in Taiwan’s eyes in many NGO settings for some time.

Despite efforts by PRC spokesmen to downplay the Tokyo incident by maintaining that it was due to a failure of “communication,” particularly disturbing was Beijing’s apparent position that even in NGOs, not merely with regard to official organizations, coordination between the two sides was necessary.⁴ One presumes we have not heard the end of this sort of issue.

But it also appears that Taipei may have retreated on Ma’s inaugural pledge to consult about international space. In mid-October, at the same time that PRC spokesmen were reiterating that all could be worked out through consultation, the Mainland Affairs Council in Taipei said that “international space” would not be on the agenda of any cross-Strait negotiations.⁵

Although Taipei continues to press its case for participation in both the International Civil Aviation Organization (ICAO) and the UN Framework Convention on Climate Change (UNFCCC), and it has sought international support for its position, in light of obvious Mainland

hesitancy, the Ma Administration has not accorded the issue such priority that failure to make headway will be cast as a major defeat.

Another international space issue, of course, is Taiwan's desire to negotiate free trade arrangements with others now that ECFA has been completed. It was obvious that ECFA was a necessary milestone that had to be reached before such further outreach was going to be possible. It is also clear that no one else is going to give Taiwan such favorable terms as Beijing did under ECFA, so success in any negotiations is not guaranteed. But the important point here is that, despite Taiwan demands to the contrary, Beijing has not given a "green light" to such arrangements even though Taipei has said it would cast them as "economic cooperation agreements" rather than Free Trade Agreements (FTAs) and that it would sign them in its status as a WTO member, i.e. as the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, *not* as the Republic of China or Taiwan.

PRC Strategic Interests

The principal or "core" interest—and goal—for Beijing in cross-Straits relations is ultimate reunification. That is to be achieved peacefully if possible, but by other means if necessary. The Mainland professes great patience about the process, and notes that non-peaceful reunification would not be in PRC interests and would be a choice of last resort if it is the only way to ensure that none of the "red lines" of the Anti-Secession Law is crossed.⁶

Although few, if any, outside analysts believe there is even the slightest possibility of a formal declaration of "Taiwan independence," Beijing still asserts that such a development is a real threat, and that the PRC cannot lower its guard against that possibility should the DPP return to power. So, as discussed earlier, PLA modernization and expansion with a strong Taiwan component is going forward apace.

The main thrust of PRC cross-Straits policy, however, is to create a web of relationships with Taiwan that serve to create not only a high degree of interdependence that can help block independence, but also an inevitability of reunification at some unspecified point in the future. Despite the tensions of the Chen Shui-bian years, once Ma Ying-jeou was in office, there was rapid movement to reestablish dialogue and conclude over a dozen agreements that have created transportation, economic, social and cultural links and that have significantly reduced military tension. Although generally well-received, the rapid pace of this activity has contributed to a certain level of anxiety in Taiwan about not only PRC aims but also Ma's intentions as well as his judgment about where Beijing is seeking to drive things.

It appears to the outside viewer that, in reaching agreements with Taiwan, the PRC has several objectives, some short-term, some longer-term. For now, many of Beijing's steps are aimed at bolstering the Taiwan economy in order to win hearts and minds, including in southern Taiwan. This is intended to create a better image of the PRC as well as to weaken any tendency toward independence. In addition, many Mainland officials and commentators make no bones about the

fact that they hope to enable Ma Ying-jeou to stave off a challenge from the DPP in 2012, and they hope that “success” of his cross-Strait policies—especially in helping the economy recover—will stand him in good stead. (On the other hand, many people on both sides acknowledge that the implementation of many of the pacts “lacks a little,” as the Chinese would say, and there will need to be increasing attention to rectifying these shortcomings if these goals are to be achieved and lasting goodwill is to be created.)

Viewed in longer-term perspective, by increasing interdependence, Beijing hopes to lay the groundwork for a natural process of integration and peaceful reunification over time. And, indeed, Mainland officials are quite outspoken about this. This goal is well understood in Taiwan, and has led to warnings, most notably by DPP Chair Tsai Ing-wen, that Beijing’s economic generosity now comes with a political bill to be presented in the future. PRC officials, nonetheless, dispute any assertion that they are seeking to force decisions on Taiwan or that they will use heightened interdependence as leverage to wrest otherwise unacceptable decisions from Taipei. For his part, Ma believes that, ultimate PRC intentions notwithstanding, there is nothing preordained or inevitable about where closer economic and social ties will lead. And in the meantime forging these ties is, he argues, essential to Taiwan’s well-being.

Nonetheless, there is a measure of internal inconsistency and contradiction in the PRC position that merits attention. At the same time Beijing is pursuing the objectives just laid out, it cautions that there will be limits to the “one-sided” agreements unless Ma is more forthcoming *at least* on some political atmospherics. Hence, in one breath officials say that they understand Ma’s political imperative not to get too far out in front of Taiwan public opinion, and they profess that they are not asking him to do what he cannot do. But in the next breath they say that they can be “generous” toward Taiwan for only so long if they cannot credibly demonstrate to Mainland public opinion that all of this is leading toward eventual reunification.

As one well-placed observer put it, what the Mainland needs is a more explicit prospect of unification and a better statement on “one China.” It needs confidence that, if the political situation changes in Taiwan, there will not be movement away from the current path. If there is no unification target, the observer asked, and peaceful development can be reversed in two years (after the 2012 election), how can the PRC pursue this course?

PRC officials do not cast their argument in terms of needing to move quickly to political dialogue, much less reunification. Rather, they speak in terms of the necessity that Ma say something less ambiguous about “one China.” We will return to this issue when we discuss how to manage the contradictions between the two sides. For now let us simply note that, however much Beijing may want to insist upon such conditionality, well-placed observers in the Mainland believe that, in fact, the PRC has no other choice but to continue on course. Even if economic exchanges may not lead to reunification, they say, they have an important effect in blocking Taiwan independence, so at least for the time being and for some time into the future, the PRC must stick with peaceful development of cross-Strait relations, all of the current frustrations

notwithstanding. In the meantime, these relationships will, as one person put it, “accumulate the resources” for reunification.

Beijing is hardly unaware that Ma could be defeated in 2012. And, at the same time it insists on maintaining a military deterrent against Taiwan independence and refuses to forswear the use of force, it seeks to hedge its political bets at least to the point of establishing better rapport with DPP officials. But PRC approaches to the opposition are complicated. On the one hand, the level of PRC concern about DPP intentions if brought back to government is considerable. Officials have noticed Tsai Ing-wen’s more “reasonable” statements about cross-Strait relations of late, but they maintain a deep skepticism about what policies she—or any other DPP leader—would pursue once in the seat of power. At a minimum they expect a slowdown and probably a stalling out of cross-Strait progress, at least at the governmental level. More than that, they are concerned about steps that could constitute real setbacks, perhaps even generating a crisis.

In any case, PRC efforts to woo lower-level DPP politicians continue. Although Beijing refuses to deal with “the party,” per se, as long as the party charter is not amended to remove the initial provisions calling for movement to independence, many individual DPP members and officials are welcomed to the Mainland on a rather steady basis. This includes not only local city and county council members, but even such prominent figures as mayors of major cities.

While, for its part, the DPP argues that Track II dialogues are the most appropriate vehicle for exchanging views at this point, in fact many DPP office-holders have sought to bolster relationships at their level. For example, while Kaohsiung Mayor Chen Chu continues to profess a “principled” objection to ECFA, nonetheless she has been working hard to garner ECFA’s benefits for her own constituents. This was not only true of her successful efforts to make the 2009 World Games a remarkable success, it is also true in terms of seeking to attract tourists from the Mainland and to augment farm and fishery sales to the PRC. She is hardly alone in this respect.

Interestingly, though perhaps not too surprisingly, some of the greatest frustration emanating from the Mainland is about the reticence of KMT stalwarts to be more forthcoming on issues such as “one China” and the goal of reunification. Beijing continues to attach importance to KMT-CCP ties and to the annual forum conducted by the two parties. Ostensibly these activities are designed to frame new ideas for furthering cross-Strait relations. But one wonders whether they aren’t intended at least as much to generate greater KMT backing for future political steps than is now evident.

Recall the disappointment expressed by Mainland participants with the attitude of KMT participants during the November 2009 conference on “60 Years across the Taiwan Strait.” This same frustration is often expressed with respect to Ma Ying-jeou’s own attitude, and what many in the PRC see as his retreat from his earlier positions endorsing a peace accord and ultimate reunification.

On the security side, too, as we saw with the well-publicized statement by the PRC Defense Ministry spokesman about the issue of missile drawdowns in late July 2010, Beijing clings to notions of reciprocity as opposed to unilateral gestures. As to what Taipei's reciprocal gesture would be for a missile pullback opposite Taiwan, perhaps there has been some deeper thinking about that than is evident, but so far all we have seen are vague references by PRC commentators and officials either to curtailing U.S. arms sales or to adjusting Taiwan's deployments.

In the past, Taiwan officials have pointed out that Beijing always criticizes U.S. arms *sales*, but it does not criticize Taiwan arms *purchases*. This observer would ascribe this to the fact that the PRC is very confident about the growing cross-Strait military imbalance that is moving inexorably in its favor, so that the principal concern is not with Taiwan's capabilities but with what sales by the United States say about American strategic intentions toward the Mainland.

Now, however, if Beijing is going put increasing emphasis on reciprocal steps across the Strait, one might begin to hear more about the issue of what systems Taipei buys. Put simply, the PRC argument to Taiwan could be that, despite the disparity in size and capability, there needs to be greater mutuality. That is, both sides—not just the Mainland—need to show “sincerity” in order to continue making progress.

In any case, it is generally argued that development of political trust must come first, and only then is it sensible to talk about military-related confidence-building measures (CBMs). Meanwhile, CBMs that do not involve redeployments or reductions of forces are viewed on the Mainland as possible. One presumes that Beijing shares Ma Ying-jeou's view that even ECFA is a CBM in the sense that it both reflects and contributes to greater mutual confidence.

The issue of “one China” has become an increasingly frequent topic of conversation with PRC interlocutors when discussing the future. On the one hand, one hears about how “public opinion” on the Mainland will not continue to tolerate “generous” terms for Taipei unless there is some obvious political payoff, if not explicitly in terms of embracing unification then at least in terms of a greater commitment to the concept of “one China” to which both Taiwan and the Mainland belong. It is argued that the PRC has sought to make such an evolution easier by avoiding speaking of that “one China” as the PRC, holding out as flexible a set of future options as possible in the search for a formula that both sides can endorse.

Beyond “public opinion,” however, one senses that at a policy level there is concern that Taiwan may become “too comfortable” with the “status quo,” and that this could morph into de facto “peaceful separation” (和平分裂).⁷ To avoid that, advocacy is growing for stable, continuous development of cross-Strait relations. This idea encompasses maintaining the position of economics first, politics later and easy first, difficult later. But it also insists that eventually one must get beyond the economic, and beyond the easy, to political and harder issues.

The PRC would prefer, of course, that Ma endorse the goal of unification. But few in the Mainland have any illusion that this is even possible, much less that it will happen. Indeed, they recognize that it would be politically suicidal for Ma to do this. Still, they are looking for something in the direction of a more direct endorsement of “one China” that would tend to foreclose any independence option, what one person has called “the 1992 Consensus plus.” The feasibility of this is discussed in the next section.

What seems clear is that Beijing’s priority is really to consolidate what has been achieved in the past two years so as to avoid retreat, no matter what politics in Taiwan may bring. The Mainland is not looking for overly hasty movement, but it wants to avoid stagnation, much less a retreat. Otherwise, as already noted, Beijing fears there will be retrogression in cross-Strait relations and perhaps the permanent establishment of “peaceful separation”—an unacceptable outcome from the PRC’s perspective.

Although the Mainland continues to go along with expansion of contacts—even negotiations—between the authorities on each side who are relevant to the cross-Strait agreements reached, Ma’s assertion of “mutual non-denial” is not directly embraced by Beijing, involving as the PRC believes it does the unacceptable notion of “ROC” sovereignty.⁸ Academic research apparently continues on the Mainland with respect to how one can accommodate the “ROC” under a “one China” framework. But for Beijing this does not imply agreeing, even tacitly, that the two sides belong to a divided China, or to “one China” defined as the Republic of China, much less to “one China, one Taiwan.”

Hence one senses a certain bridle on the Mainland at statements in Taiwan that there are “official” contacts between the two sides. Perhaps it is a matter of nuance, but Beijing would prefer to say that there is “professional contact” between departments of the two sides, but it denies the characterization of these as “official-to-official” contacts or that they imply acceptance of the ROC’s legitimacy.

As to PRC attitudes toward expansion of Taiwan’s international space, these are rather more complicated and difficult than managing direct cross-Strait dealings. Having satisfied Ma’s early need to gain observer status at the World Health Assembly in May 2009—to be repeated in 2010—the Mainland has not followed through in similar fashion in other organizations. This despite Hu Jintao’s December 31, 2008, statement that

Regarding the issue of Taiwan's participating in the activities of international organizations, fair and reasonable arrangements can be made through pragmatic consultation between the two sides, provided that this does not give rise to “two Chinas” or “one China, one Taiwan.”⁹

In part, this stinting attitude is related to concern about how the DPP might take advantage of a larger Taiwan international role if it comes back to office. There is a sense that it is easier to cooperate in granting greater space than to take it away, even if, as a practical matter, the PRC

could probably insist on terms of participation that, as in the WHA, give it an opening to shut Taiwan out in the future.

In part, however, PRC reluctance to be more forthcoming is also related to the point made earlier regarding Ma's approach to "one China," and his insistence that "one China" is the Republic of China, which is a sovereign, independent state. Ma has tried not to push any of these positions in Beijing's face in bilateral dealings by basing cross-Strait relations on the vague concept of the "1992 Consensus," an approach with which Beijing has so far cooperated. Moreover, he has proclaimed openly that he is not looking to participate in statehood organizations on the basis of sovereignty and is not insisting on using titles such as "Republic of China" or "Taiwan." Still, Beijing hesitates, perhaps in the hope that it can use his aspiration for greater international participation as leverage for eliciting a more "forward-leaning" position. Again, we will discuss the implications of this below.

Finally within the category of international space, there is the issue of FTAs. Beijing has apparently decided it will watch negotiations with Singapore, which is the most advanced of any of these efforts, to judge a) if the terms of any agreement introduce "complications" into cross-Strait relations and b) if the agreement has any substantial impact on adherence to the "one China" principle by Beijing's international partners. There is also a hint in some PRC private and public rhetoric that it wants to have confidence that the number of other countries interested in negotiating such agreements with Taipei will not grow inordinately.

Managing the Future

Against this background, what are the prospects for future developments in cross-Strait relations and what can the three parties do to move things in a positive direction, minimizing tensions, avoiding crises, and serving the fundamental interests of all concerned?

As the head of Taiwan's Straits Exchange Foundation (SEF), P. K. Chiang, has said, the two sides may now have reached the end of the "easy" part of cross-Strait economic agenda, and many negotiations will encounter tough sledding from here on out. Nonetheless, it is plain that stronger economic relations are in the interests of both sides. So even if PRC economic actors demand greater reciprocity in the future, one can expect that over time the two sides will be able to negotiate successfully over comprehensive agreements on the critical issues of investment guarantees, trade and services. Developing a full-fledged disputes settlement mechanism will also be crucial. In that regard, even if navigating the tricky aspects of Taiwan's "status" under the WTO will be challenging, again, it is so obviously in the interest of both sides that it is almost inevitable that they will be successful.

From the American perspective, while encouraging robust cross-Strait economic relations, there will be an interest in assuring that, one way or another, U.S. economic interests are not only protected but are given fair access to the opportunities that are created for trade and investment.

The political dimension of cross-Strait economic relations will remain of concern to both sides. The Ma Administration is not any more interested than anyone else in being sucked onto an ineluctable path of reunification. And if the PRC can maintain its patience, recognizing that formal “independence” is impossible but that it will likely take decades before the terms of a mutually acceptable arrangement emerge, these concerns should be manageable. If, however, Beijing begins to focus on ways to exact a more explicit commitment to “one China” as a requirement for stable future development, no matter who sits in the presidential office in Taipei, at some point the current upward curve of relations may level off and perhaps even begin to slope downward.

PRC arguments that public opinion on the Mainland must be given confidence that economic relations with Taiwan will lead toward ultimate unification may be based on realities of the evolving Mainland political climate. But demanding what may be impossible from Ma or any other Taiwan leader is not the only conceivable approach to addressing that issue. Beijing has the means to inform and shape public opinion, including by laying out Taiwan’s realistic options, which do not include formal independence.

President Hu Jintao has “fireproofed” himself over the past several years on Taiwan policy, even during the Chen Shui-bian era, by insisting on two principles: from a PRC perspective, all dealings with Taiwan come under the rubric of “one China,” and “Taiwan independence” under any name or in any form will not be tolerated. The disconnect between that highly successful approach, which has allowed him to reshape the Mainland’s cross-Strait policy in significant ways, and arguments now heard about the need for something more than the “1992 Consensus” is the apparent belief that Taiwan needs to embrace both these points more explicitly. But it is not clear why this is so, and why adherence to the current Taiwan position is not sufficient for any cross-Strait dealings until they get to the point of actually addressing the core issue of reunification.

Of course, Beijing will not deal in a positive way with any authorities in Taiwan who argue for formal “independent” status or try in a serious way to promote such a possibility. But no leader will be elected on the island who does not endorse the notion, at least in a domestic context, that he (or she) leads a sovereign, independent nation and that decisions about the future of Taiwan rest in the hands of the people.

Ma Ying-jeou is “as good as it gets.” And, in this observer’s view, his open opposition to independence, taken together with his commitment to the “one China” constitution and his continued adherence to the “1992 Consensus” with its “one China” premise, should be enough to justify continuing to work for even better cross-Strait relations going forward. In other words, viewed comprehensively, the question for Beijing should be whether the position of the government in Taiwan is consistent with—or at least not inconsistent with—Hu’s two principles, not whether Ma or anyone else openly buys into the PRC vision.

Would it be better for the PRC if Ma were to show greater flexibility about what “one China” means? Sure. And PRC spokesmen are clear about why. But even if Beijing cannot endorse the Taiwan leader’s insistence that “one China” means “the Republic of China,” examined carefully that view is obviously consistent with the PRC’s position that Taiwan and the Mainland both belong to “one and the same China.” For now, that ought to suffice.

Is there a problem with seeking “more”? If handled with subtlety, perhaps not. But if it truly becomes the case that Beijing begins to change course, and if it begins to slow down the pace of improving cross-strait relations if such efforts are not succeeding, this would rank high on anyone’s list of self-defeating policies.

Indeed, what would seem likely to be far more successful is to accelerate steps that respond to aspirations of the people of Taiwan, as long as, in Hu Jintao’s words, they do not give rise to “one China, one Taiwan” or “two Chinas.” What might these include?

In the area of “international space,” instead of holding back on Taiwan’s access to international organizations, Beijing should be fostering it. This should not be in a mode of “the PRC allowing its little brothers in Taiwan to sit at the table with the big people,” but rather in supporting Taiwan’s “meaningful participation” in ways that do not touch on sovereignty questions. In many cases this will mean having Taiwan participate as an “observer,” as it does today in the WHA. If there is no provision in the charter of relevant organizations to accommodate that, then Beijing should cooperate in fashioning appropriate provisions that would allow it. Best would be if the PRC were not to maintain some sort of veto over future participation, but if preservation of this potential power is necessary to make the Mainland comfortable that it is not creating a trap for itself, then others (including in Taiwan and the United States) should live with that.

On the other side of the equation, it is patently clear that the PRC not only will remain unpersuaded by efforts of others to shoehorn Taiwan into various organizations, but that Beijing’s back goes up every time Taipei seeks to rally international support for its position. As TAO Director Wang Yi apparently put it to some Americans when he visited the United States in late October, Taiwan’s efforts to seek European and American backing “doesn’t help the situation.”

The repeated pressure from Mainland delegations to NGO meetings to force a name change on Taiwan delegations should cease. Senior PRC officials claim there is no policy to pursue such changes, but whatever the driving force, the government certainly has the power to bring the practice to a halt. As we saw in the recent Tokyo Film Festival incident, the potential for souring attitudes on the island is real, favorable reactions to ECFA or not, and it makes no sense in unofficial settings to press this case. Moreover, while at least discussing the matter with Beijing should not be impossible for Taipei, the PRC should not insist on any arrangement that would suggest it was giving “permission” for such NGO activities.

In the security realm, as well, no one should expect the PLA to give up its capability to deter, and if necessary defeat, Taiwan independence until the day of unification. As stated earlier, not even a peace accord would void this requirement. But in an age of advanced weaponry, there is no need for the PLA to maintain short-range missiles opposite the island. At a very minimum, many of those missiles could be dismantled—not simply moved back, ready to be moved forward again on short notice. Not only would this create a greater sense of goodwill toward the Mainland, but, especially if taken together with other steps that reduce the “threat,” it would allow Ma and his successors to take steps that the PRC very much wants to see in the area of building mutual trust. Whether the Mainland’s aim is to see Ma reelected or to ensure that a successor DPP administration does not destroy the progress achieved to date—but instead builds on it—it would appear self-evident that creating such a positive dynamic would serve PRC interests.

Some may ask, if the PRC does all of this for Taiwan, even if the abyss of independence is avoided, where is the incentive for Taipei to move toward reunification? If Taiwan is essentially getting everything it wants except the formal trappings of nationhood, why would anyone think about moving ahead in the political realm? The answer is, right now they would not (except for a few very deep Blue adherents). The goal espoused in the 1991 National Unification Guidelines of unity within a democratic, free and equitably prosperous China may still be the active aspiration of some people in Taiwan, but it is not a position that, twenty years later, resonates well with the vast majority.

It will take more than time and experience with evolving cross-Strait relations to bring people in Taiwan to see some level of formal association with the Mainland not only as non-threatening to their most cherished aspirations but as consistent with them. It will also likely take some hard rethinking on both sides about fundamental concepts such as what “one China” is, what unification is, and what sovereignty is. Even today one hears on the Mainland ideas about “divided” or “shared” sovereignty, ideas whose very mention was grounds for rebuke in years past. Undoubtedly their time has still not come, but the point is that, with the building of greater trust and amity, creative minds may well—in my own view, almost inevitably will—come up with new frameworks that can meet the basic principles of both sides.

Policies that would seem to be trying to force even small steps along that path today could create a sharp backlash and close off future options, while achieving nothing in the short run.

On the Taiwan side, care needs to be taken to ensure that domestic political competition does not produce needlessly provocative stands on cross-Strait relations. And, in fact, the pragmatic and prudent nature of the people in Taiwan already seems to be forcing extreme views to retreat. Responsible leaders need to consciously foster that process.

Meanwhile, the United States needs to walk the fine line between supporting cross-Strait reconciliation—and making clear that, fertile imaginations notwithstanding, it does not fear

further developments, up to and including unification—on the one hand, and remaining true to its own vital national interests in preserving peace and stability in the region, on the other. This will not always create smooth relations either with Beijing or, for that matter, with Taipei. But the larger context in which both relationships exist can, if handled well by all sides, reduce the level of mutual strategic suspicion between Washington and Beijing while reassuring Taipei that the United States will not abandon its concern for Taiwan’s security and well-being as cross-Strait relations improve. Quite the contrary. Although the United States will want to be confident that its own interests are not being ignored, the further reduction of cross-Strait tensions will stimulate even greater American support for the course of reconciliation.

¹ The term “threat” is used here in the sense of PLA capabilities, and Beijing’s explicit statements reserving the right to use force in certain circumstances, rather than on the presumption that the PRC necessarily intends to use force or is actively threatening to attack Taiwan at this point.

² Of course, the true economic value of ECFA will not be clear for some time. But the fact is that, especially in a situation where Taiwan’s economy has gone through tough times, the obvious benefits to Taiwan, including sectors of the economy that need a special boost, have won the backing of most people.

³ “President Ma’s Inaugural Address: Taiwan’s Renaissance,” Office of the President, Republic of China (Taiwan) May 20, 2008, <http://english.president.gov.tw/Default.aspx?tabid=491&itemid=16304&rmid=2355&sd=2008/05/20&ed=2008/05/20>.

⁴ In a virtual verbatim repeat of Hu Jintao’s statement on December 31, 2008 (see below), and without distinguishing between intergovernmental organizations and non-governmental ones, the foreign ministry spokesman said: “On the question of Taiwan’s participation in international activities, our principled position is that reasonable and rational arrangements can be made through pragmatic consultation between the two sides across the Taiwan Straits under the precondition of not creating ‘two Chinas’ or ‘one China, one Taiwan’.” (Ministry of Foreign Affairs, People’s Republic of China, “Foreign Ministry Spokesperson Ma Zhaoxu’s Regular Press Conference,” October 26, 2010, <http://www.fmprc.gov.cn/eng/xwfw/s2510/t764503.htm>. Chinese-language transcript available at <http://www.fmprc.gov.cn/chn/gxh/tyb/fyrbt/t764217.htm>.)

⁵ Chris Wang, “Taiwan won’t negotiate international space with China: MAC,” CNA, October 14, 2010.

⁶ “Article 8 - In the event that the ‘Taiwan independence’ secessionist forces should act under any name or by any means to cause the fact of Taiwan’s secession from China, or that major incidents entailing Taiwan’s secession from China should occur, or that possibilities for a peaceful reunification should be completely exhausted, the state shall employ non-peaceful means and other necessary measures to protect China’s sovereignty and territorial integrity.” (“Anti-Secession Law,” Adopted at the Third Session of the Tenth National People’s Congress on March 14, 2005, *People’s Daily Online*, http://english.peopledaily.com.cn/200503/14/eng20050314_176746.html.)

⁷ Some commentators have charged that Ma’s “three no’s” (≡不) policy (no unification, no independence, no use of force) even now is the equivalent of “peaceful separation.” Officials dismiss this assessment as inconsistent with the PRC government’s view. Still, they find Ma’s “three no’s” position inadequate. What they appear to be looking for is a statement of what he *will* do rather than only what he *will not* do.

⁸ Two points worth making here. First, what Ma describes is movement from “mutual denial” to tacit “mutual non-denial.” But he and his government clearly admit that the Mainland has not openly embraced even this position, much less come anywhere near accepting “mutual recognition.”

Second, the notion of “mutual non-denial” may have other origins, as well, but one of them is the “1991 National Unification Guidelines,” for whose drafting Ma had some responsibility and on whose provisions Ma has based many of his policies. (Mainland Affairs Council, Executive Yuan, Republic Of China, “Guidelines for

National Unification,” Adopted by the National Unification Council on February 23, 1991, and by the Executive Yuan on March 14, 1991. Text available in translation at <http://www.wulaw.wustl.edu/Chinalaw/twgguide.html>.)

In the short run, the Guidelines call for “not denying the other's existence as a political entity.” Over time, they say, each side should “respect—not reject—each other in the international community.” While the latter point clearly goes too far for Beijing, at present we would, in fact, seem to be at the point of mutual non-denial, not of each other's sovereignty, but of each other's existence as a functioning political entity.

But what Beijing reacts against is the idea often raised in public discussion by Taiwan authorities that cross-strait contacts under this rubric represent “official relations” and that “the Republic of China is a sovereign and independent country,” a “fact” that, in the Guidelines' terms, the PRC must respect. (“I also must emphasize that the Republic of China is a sovereign and independent country. This is an established fact, which mainland China cannot deny. If cross-strait relations are to develop further, the Mainland will need to understand and face up to this fact. Most of all, mainland China will need to respect this fact!” (Mainland Affairs Council Minister Lai Shinyuan, “Taiwan's Mainland Policy: Borrowing the Opponent's Force and Using it as One's Own – Turning the Threat of War into Peace and Prosperity,” Speech to the American Enterprise Institute, August 5, 2010, <http://www.mac.gov.tw/ct.asp?xItem=86792&ctNode=5908&mp=3>.)

⁹ “对于台湾参与国际组织活动问题，在不造成“两个中国”，“一中一台”的前提下，可以通过两岸务实协商作出合情合理安排。”

(“胡·涛：携手推·两岸·系和平·展同心··中·民族·大··”，新·网，December 31, 2008, http://news.xinhuanet.com/newscenter/2008-12/31/content_10586495_2.htm.)