



Asia Pacific Bulletin

EastWestCenter.org/APB

Number 245 | December 10, 2013

Beijing Calculates Cross-Strait Relations: Waiting for the Melon to Drop

BY WEN-TI SUNG

Wen-Ti Sung, Asia Studies Visiting Fellow at the East-West Center in Washington, explains that “In Beijing, a favorable combination of institutional integration, political consolidation, and leadership expertise is enabling China’s leaders to manage cross-strait relations with confidence and patience.”

The long-term outlook for Taiwan’s strategic autonomy from Chinese influence may gradually come into question, even though cross-strait relations should be stable for the foreseeable future. Intensifying dynamics in the Beijing-Taipei-Washington triangle are contributing to this scenario; namely, the Chinese leadership’s internal consolidation, growing cross-strait enmeshment, and US attention deficit. In Beijing, a favorable combination of institutional integration, political consolidation, and leadership expertise is enabling China’s leaders to manage cross-strait relations with confidence and patience. Institutionally, the Third Plenum of the Chinese Communist Party’s Eighteenth Central Committee in November unveiled a new State Security Committee (SSC) with the declared purpose of “designing and implementing national security strategy.” The SSC helps centralize China’s foreign and security policy-making apparatus, which hitherto has been troubled by the lack of integration between its two top-level organs: the Central Military Commission and the civilian leadership’s Leading Small Groups for Foreign Affairs, National Security, and Taiwan Affairs.

Institutionally, these changes should mean that it is now easier to present a cross-strait policy that is more coordinated, pragmatic, and “winning hearts and minds” oriented, partly because the new policy environment will be more insulated from inter-agency bickering, coordination challenges, and individual actors’ political urge to play the assertive nationalist card regarding Taiwan.

Politically, Chinese President Xi Jinping is considered by many as arguably the strongest leader China has seen since Deng Xiaoping. This should come as no surprise, for Xi has an enviable profile that enables him to be an omni-factional man acceptable to liberals, conservatives, and the military. As the leader of the “princelings” faction, Xi is a favorite son of the party’s conservatives and old guards; his populist style and anointment by former President Jiang Zemin are but icings on the cake. Moreover, Xi’s own experience of working in the CMC during his youth, combined with his family lineage as the son of a fabled revolutionary military hero, endow him with significant credibility among China’s military.

Xi, furthermore, has endeared himself to the party’s liberal wing via his father, who was a champion of Deng Xiaoping’s economic “reform and opening” and a vocal supporter of deposed former liberal leaders, Hu Yaobang and Zhao Zhiyang. Ever since the Eighteenth Party Congress in 2012, Xi has worked at forging a new coalition with the party’s more liberal “Communist Youth League” wing headed by Premier Li Keqiang. One prominent example is when Xi broke with existing practice and appointed Li’s ally, Vice President Li Yuanchao, as the party-state’s second-in-command on foreign affairs, and as a de facto Politburo standing member.

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On the personnel level, Xi’s cross-strait relations team is rich in expertise on Taiwan. Indeed, Xi himself has 17 years of work experience in Fujian and Shanghai, areas with the strongest Taiwanese commercial and cultural presence. His henchman for Taiwan affairs, Politburo standing member Yu Zhengsheng, is formerly a party secretary of Shanghai and has significant family connections with Taiwan. Moreover, Xi’s Foreign Minister, Wang Yi, has just served a five-year term as Director of the Taiwan Affairs Office.

Putting these favorable factors together, China’s leadership under Xi Jinping is well-positioned to exercise strategic patience over the Taiwan issue. Beijing’s patience is predicated on the belief that time is on Beijing’s side, for reasons of economics, military, and the perceived attention deficit of the United States. Economically, according to Taiwan’s Mainland Affairs Council, cross-strait trade in 2011 totaled \$127 billion, or more than a quarter of Taiwan’s GDP. Short of deliberate diversification initiatives from Taipei, this asymmetrical economic interdependence can be expected to grow further in Beijing’s favor. As more sectors of the Taiwanese society become reliant on cross-strait commerce, this economic dependency has the potential to spill-over into politics and nurture more Beijing-friendly voices.

Moreover, the cross-strait military balance has also been evolving in Beijing’s favor. Beijing’s estimated \$117 billion defense budget for 2013 was eleven times that of Taiwan’s. This is perhaps understandable given Taiwan’s economy being much smaller, but short of significant initiatives to reverse this trend, Taiwan’s ability to defend against China’s rapidly expanding military capabilities will continue to decline, as highlighted in the 2013 US-China Economic and Security Review Commission annual report.

There are also signs that the United States may be losing its ability to appreciate the nuances of Chinese policy. US National Security Advisor Susan Rice, in her first major Asia policy speech in November, argued that the United States seeks to operationalize a “new model of major power relations” with China. This phraseology, which is copied virtually verbatim from Beijing, is highly problematic. China has been actively promoting the phrase “new type of major power relations” for two purposes: to praise China and criticize the West. The phrase signals to other states that China’s rise will be uniquely peaceful and that it will be different from that of Western powers, whose ascendancy in history had arguably resulted in two World Wars and the ensuing Cold War. Additionally, by advocating that a new model is both virtuous and necessary, the phrase also implies that the “old model” as practiced by the United States and the West, is broken. America’s adoption of this Chinese term amounts to an act of inadvertent self-criticism. The fact that Rice’s phrase was essentially reproduced two weeks later during Vice President Joe Biden’s China trip reveals it may be more than a one-off carelessness.

For Beijing, there is little incentive to pursue unification with Taiwan in the foreseeable future. Pursuing unification through coercion runs the risk of a costly conflict with the United States. The pursuit, however, of unification through peaceful negotiation, presumably under an augmented version of the “one country, two systems” formula, is also not necessarily desirable. Once Beijing does so, it will be obliged to sustain Taiwan’s economic prosperity, as Taiwan’s experience will be used by all other states as the crystal-ball through which they divine their own futures of living under Chinese influence. At the same time, Beijing may fear that Taiwan’s democracy, which would be guaranteed under the formula, can have demonstration effects within China, and increase pressure for China’s own democratization from China’s burgeoning middle class.

Given these considerations, China can be expected to exercise strategic patience buttressed by internal political confidence. Cross-strait relations can be expected to remain stable in the foreseeable future. However, Taiwan’s continued strategic autonomy internationally may gradually come into question. There is an old Chinese saying: “Melons prematurely harvested from the tress don’t taste sweet.” With favorable internal and external factors in place, Beijing can patiently await the melon to fall down from the tree on its own.

The *Asia Pacific Bulletin* (APB) series is produced by the East-West Center in Washington.

APB Series Editor: Dr. Satu Limaye
APB Series Coordinator: Damien Tomkins

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