

27 June 2013

## China and Taiwan: Steady as She Goes – but Where?

China, Taiwan and the US appear to be relatively comfortable with the current state of cross-strait relations. But that shouldn't lead us into a false sense of security, warns Roderick Wye. Beijing still remains determined to unite Taiwan with the Chinese mainland.

By Roderic Wye for ISN

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Not so long ago, China's cross-strait dispute with Taiwan was regarded as one of the most serious challenges to the security of East Asia. Yet in recent years some of the heat seems to have gone out of the standoff between Beijing and Taipei. Instead, China appears to be paying more attention to its territorial claims in the East and South China Seas. Chinese officials also do not appear to be pursuing the Taiwan issue with comparable vigor, despite the fact that it remains unequivocally one of the "core interests" that Beijing is determined to defend. While Taiwan was on the agenda at the first meeting of Presidents Obama and Xi in June, it was by no means the major discussion point.

Important leadership transitions occurred on both sides of the Taiwan Strait in 2012. The final outcomes could have introduced significant new elements into cross-strait policy if, for example, the Democratic Progressive Party (DPP) had won in Taiwan or if the status of the island had played a more significant role in the internal political discussions in China. However, the outcome on both sides seems to have reinforced the preference for continuation of the current status quo rather than presaged any substantial change in policy. As for the third party in this affair, the United States' "pivot" to Asia clearly factors in Washington's support for Taiwan, but it also seems content to support the current situation.

### **The view from Beijing...for now**

The new Chinese leadership has largely been content to stress continuity of its policy and behavior towards Taiwan. More follow-up business has been completed under the Economic Cooperation Framework Agreement, with the recent signing of a new agreement on service sector trade. While the so-called diplomatic truce has held, complete with no changes in formal recognition, China seems prepared to allow a little more international breathing space for Taiwan. The Taiwan-Japan informal fisheries agreement, for example, attracted criticism but not fury from Beijing. Moreover, China appears content enough to allow Taiwan's potentially ground-breaking negotiations with Singapore over a Free Trade Agreement (FTA) to go ahead.

In terms of policy, the sections focused on the cross-strait issue in the documents of both the Party

Congress and the National People's Congress (NPC) was unexceptionable and reflects a bureaucratic consensus across the Chinese political system. From a domestic perspective, one significant addition is the way in which mainland China's ultimate aspirations for Taiwan have been woven into the "China dream" rhetoric of the new leadership. In the post-NPC press conference, the new Premier Li Keqiang stressed the shared identity between mainland China and Taiwan: "The residents on the two sides are fellow compatriots... Bones may be broken but not the sinews, because we are fellow compatriots. Between us there is no knot that cannot be untied." The section in the outgoing General Secretary Hu Jintao's report to the Party Congress ended with the ringing declaration that: "Working hand in hand, we, the sons and daughters of the Chinese nation, will surely accomplish the great cause of China's reunification in the course of our common endeavor to achieve the great renewal of the Chinese nation." More prosaically, Premier Li Keqiang went on to underline the continuity of policy, and to say that his government would fulfil the commitments made by the previous one while working hard to seek new pillars for cross-strait cooperation.

Nor has there been any major new statement of Taiwan policy coming out of the new leadership as yet. No doubt there are other more pressing matters on their agenda, but it is an indicator of a current overall level of satisfaction with the way developments are going.

### **Softly-softly**

But this is not the case in the longer term. There is no evidence that China's ultimate ambitions towards reunification have changed. Very little progress has been made on moving the practical exchanges towards more political talks, and President Ma has on several occasions ruled them out during his Presidency. It is most unlikely that he will alter his position. The Ma Presidency was founded on the argument that he would handle China better than his predecessor, an argument in which the Chinese acquiesced and which they reinforced in practical terms.

Beijing's immediate political goals in Taiwan are to ensure that the opposition DPP does not return to power. Because the outcome of the next election is far from a foregone conclusion, given the consistently low polling ratings President Ma is achieving, the Chinese need to demonstrate that a Kuomintang (KMT) victory remains in the interests of the people of Taiwan. This means they will probably continue with a 'softly-softly' approach while gently piling on the pressure. Indeed, they are currently in no great hurry because in some respects the policy is working. Taiwan's economy is becoming more and more enmeshed with that of China. Its attempts to deepen its connections with UN agencies and widen its international space are not making a great deal of progress, and the diplomatic truce probably works more in Beijing's favor now than Taipei's. It is abundantly clear that Taiwan's remaining diplomatic allies see the attractions of China as greater than those offered by the island.

The initiative in cross-strait relations is also moving away from Taiwan after a period in which it was able significantly to shape the agenda. In the last fifteen years, Taiwan made much of the running in defining the nature of the relationship. It was Taiwan's new sense of identity that altered the terms of the status quo. This allowed for greater self-determination by the people of Taiwan, and the election of an avowedly pro-independence leader. China had to accept these new realities. There was no longer any prospect for them of a cosy deal with a mainlander leadership in Taiwan. But China's growing strength and influence has begun to turn this around. It is increasingly China which controls the agenda now.

Under the present leadership, China is not going to give up on its long term aim of re-unification. Its capacity to put pressure on Taiwan both bilaterally and internationally will continue to increase. Taiwan's search for international breathing space is likely to remain constrained and increasingly to fall within the gift of the PRC authorities and be subject to their approval. Slowly but surely a situation

is emerging where Taiwan's interests and capacities are ever more constrained by those of the PRC. But maintenance of this scenario depends on continued Chinese confidence that their policies are paying dividends and on the willingness of the Taiwanese authorities to accept the gradual erosion of their position. It is also at the mercy of the relationship between China and the United States, and Washington's long-term enthusiasm for guaranteeing Taiwan's security.

### **As good as it gets?**

The present situation may be about as good as it gets for Taiwan-China relations, in the absence of a major change in the attitude of the PRC. It suits all three major parties, and seemingly needs only relatively loose management to keep it on course. But it is an inherently unstable equilibrium. The most obvious threat to it is a substantial change in the political views of the Taiwanese or mainland governments. In Taiwan's case the most likely proximate cause for change would be a DPP victory in the next Presidential election. While we would be unlikely to see a return to the policies of the Chen Shuibian administration, we would certainly see a much more suspicious and unaccommodating reaction from Beijing. The uneasy non-consensus around the so-called "1992 Consensus" under which much of the current *détente* has been carried out would also be disturbed.

Such shocks could probably be managed, as was the relationship through all the changes of the Chen administration. But what would be much more difficult to manage is a far more serious and assertive policy agenda coming out of Beijing. Accordingly, Taiwan's problem is not so much managing Beijing's aims and aspirations in the present and near future - these seem manageable. But if Beijing should ever feel that the cross-strait tide is going in an unhelpful direction it may well feel impelled to act more forcefully to protect and promote its perceived long-term interests.

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[International Relations and Security Network \(ISN\)](#)

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