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Issue Brief

Cross-Straits Relations: The Lull before the Storm?

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Summary

A reading of the Cross Strait dynamics over the past few months yet again underscores the intractability of the positions taken by the Democratic Progressive Party (DPP) and the Communist Party of China (CPC). Even though the Peoples Republic of China (PRC) has been slowly turning up the heat on the new DPP government, President Tsai Ing-wen has some leeway till the 19th Congress of the CPC in October-November 2017 to convince the PRC to accept her government as an equal and legitimate dialogue partner, like it did the previous Kuomintang (KMT) government. The new direction of Cross-Straits relations, for better or worse, is therefore largely expected only after the 19th CPC Congress.

Tsai Ing-wen of the Democratic Progressive Party (DPP) was sworn in as Taiwan's President on May 20, 2016. She may occupy the office for two terms of four years each, like her two predecessors. A reading of the Cross Strait dynamics over the past few months yet again underscores the intractability of the positions taken by the DPP and the Communist Party of China (CPC). Even though the Peoples Republic of China (PRC) has been slowly turning up the heat on the DPP government, Tsai has some leeway till the 19th Congress of the CPC in October-November 2017 to convince the PRC to accept her government as an equal and legitimate dialogue partner, like it did the previous Kuomintang (KMT) government. The new direction of Cross-Straits relations, for better or worse, is therefore largely expected only after the 19th CPC Congress.

The Current Status of the Relationship

After a stoic response¹ to the victory of the DPP, Beijing has begun to assert itself on the unification issue and is seeking an unequivocal acceptance from the DPP government for the 1992 Consensus² as a precondition for continuance of Cross-Straits dialogue. Failing to get a positive response from the Tsai government, China unilaterally suspended Cross-Straits talks in June 2016, bringing all government and quasi-government dialogues to a halt.³ The hotline set up between the Mainland Affairs Council (MAC) and the Taiwan Affairs Office (TAO) in December 2015 is defunct.⁴ Normal mechanisms such as joint efforts to combat crime too are facing glitches.⁵ A reduction in the number of Chinese 'group tourists' to Taiwan has also been registered. There are apprehensions about the likelihood of China reducing the flow of Chinese students to Taiwanese universities. Taiwanese businessmen on the Mainland are equally apprehensive about the negative impact of the changed political situation on their business.⁶

¹ There were no theatrical diatribes after the Tsai's victory in January 2016 from official agencies such as Taiwan Affairs Office (TAO). Also, in the run up to the election, no veiled warning was issued to the Taiwanese electorate, reminding them of the consequences of a DPP victory.

² It denotes the tacit understanding, the two sides then had, to turn a blind eye on each other's theoretical positions on Cross-Straits relations in order to facilitate the dialogue process. The coinage of the term is credited to Su Chi, Secretary-General, National Security Council, Taiwan. The PRC treats the 1992 Consensus almost as an actual historical fact as if it was codified or expressly stated. In Taiwan, it has generally been seen more as a metaphorical or idiomatic expression. The Tsai government is willing to accept and respect the fact of 1992 talks, but it is not inclined to accept the 1992 Consensus. For Su Chi's claim about his being author of the term, see Su Chi, *Taiwan's Relations with Mainland China: A Tail Wagging Two Dogs*, London and New York, Routledge, 2009, pp. 89-91.

³ TAO, 'Mainland Spokesman Says Cross-Straits Communication Mechanisms in Suspension', June 25, 2016, at http://www.gwytb.gov.cn/en/SpokespersonRemarks/201606/t20160627_11492214.htm (Accessed October 31, 2016).

⁴ *The China Post*, 'Cross-Straits Hotline Not in Use: MAC Chief', July 1, 2016, at <http://www.chinapost.com.tw/taiwan/national/national-news/2016/07/01/470894/Cross-strait-hotline.htm> (Accessed 31 October 2016).

⁵ *The China Post*, 'Taiwan, China Crime Pact Failing: Justice Minister', *Taipei Times*, September 30, 2016, at <http://www.taipeitimes.com/News/taiwan/archives/2016/09/30/2003656222> (Accessed October 31, 2016).

⁶ *The China Post*, 'Govt to Subsidize Tourism Sector after Chinese Visitor Drop', November 5, 2016, at <http://www.chinapost.com.tw/taiwan/business/2016/11/05/483088/Govert-to.htm> (Accessed

The changed scenario has also put the future of the so-called ‘diplomatic truce’ under a cloud.⁷ Taiwan, which was allowed to participate in the World Health Assembly (WHA) in 2009 might be prevented from doing so in the next assembly. Taiwan participated in the WHA as ‘Chinese Taipei’ in accordance with the 1992 Consensus or the One China Principle. Taiwan received this year’s invitation during the transition period prior to Tsai’s swearing-in, and this invite explicitly made mention of the One China principle, which was not the case in previous invitations. If the Tsai government receives a similar invitation next year too, it will have to decide whether to attend the meeting or not.

Similar uncertainty looms over Taiwan’s participation in the triennial meetings of International Civil Aviation Organisation (ICAO) Assembly as well in which Taiwan participated as the ‘guest’ in 2013. The next ICAO meeting is to be held in December 2016. The development is directly linked to the present Taiwan government’s non-acceptance of the 1992 Consensus. Although Cross-Strait judicial cooperation has long been fraught with issues, the Chinese enthusiasm in the past few months to have Taiwanese citizens accused of various crimes in foreign countries extradited to China seems to stem from its desire to twist Tsai’s arm.⁸

Notwithstanding these tensions, the overall political and security situation across the Strait remains fairly stable. Previously concluded agreements for cooperation are in place. As of now, Beijing’s aforementioned actions amount to signaling only. One can presume that if there is no pro-independence provocation from the Taiwanese side, Cross-Strait relations are not going to witness an immediate alarming dip. For the good of the relations, President Tsai has steered clear of any statement or action that could have the potential to provoke China. She, in fact, has been making overtures to China, that are as unambiguous as is possible - within the DPP’s framework of politics and Cross-Strait policy. The overtures include many calls for dialogue and support for the local body (municipality/city corporation) level and Track-II dialogue.⁹ The appointment of seasoned foreign

November 10, 2016); *The China Post*, ‘PRC Students Shouldn’t Suffer over Politics: Govt’, September 3, 2016, at <http://www.chinapost.com.tw/taiwan/china-taiwan-relations/2016/09/03/477413/PRC-students.htm> (Accessed October 27, 2016); *The China Post*, ‘Businessmen Take Hit As Cross-Strait Ties Worsen’, September 8, 2016, at <http://www.chinapost.com.tw/taiwan/china-taiwan-relations/2016/09/08/477842/p1/Businessmen-take.htm> (Accessed October 31, 2016).

⁷ ‘Diplomatic truce’ is an informal expression that came into usage during President Ma’s tenure (2008-16). Under it, Ma proposed to put efforts to snatch each other’s diplomatic partners on hold. Under the truce, Taiwan could manage to enter the World Health Assembly (WHA) and the International Civil Aviation Organisation (ICAO) under the name of ‘Chinese Taipei’. *Taipei Times*, ‘WHA Invitation Cites “One China”’, May 8, 2016, at <http://www.taipeitimes.com/News/front/archives/2016/05/08/2003645759> (Accessed November 10, 2016); *The China Post*, ‘Beijing’s ICAO Reasoning “An Excuse”: Govt’, September 30, 2016, at <http://www.chinapost.com.tw/taiwan/china-taiwan-relations/2016/09/30/479784/Beijings-ICAO.htm> (Accessed October 31, 2016); *The China Post*, ‘Accepting “One China” A Must for ICAO Attendance: Beijing’, September 15, 2016, at <http://www.chinapost.com.tw/taiwan/china-taiwan-relations/2016/09/15/478512/Accepting-One.htm> (Accessed October 31, 2016).

⁸ *The China Post*, ‘Beijing Aims to Have More Taiwanese Deported to China: MOFA’, August 10, 2016, at <http://www.chinapost.com.tw/taiwan/china-taiwan-relations/2016/08/10/475025/Beijing-aims.htm> (Accessed October 31, 2016).

⁹ See ‘ROC President Dr. Tsai Ing-wen Delivers Inaugural Address’, Ministry of Foreign Affairs of the Republic of China (Taiwan) Website, May 20, 2016, at

ministry administrator (Dr. David Tawei Lee) who has spent considerable time working with the KMT governments upholding the One-China principle could also be construed as an overture, a view shared by many in Taipei.

How Long Will Non-Provocation Work?

Tsai has thus far received no response from China. The situation is somewhat reminiscent of the initial period of President Chen Shui-bian's government (2000-08), when China's response was a cold silence. The poser here, however, is that if going by past experience, Tsai unlike Chen does not resort to provocative moves, how long would China respect her non-provocation. This is because regardless of the colour and texture of the government in Taipei, China remains committed to the unification of Taiwan with China.¹⁰ Will Tsai's lie-low approach also, after a point, not exasperate China, as it would ideally expect some provocation from a *pro-independence* government to justify pushing its unification bid, and will it not interpret non-provocation combined with absence of dialogue, even though the absence is its own choice, as a ploy to inordinately delay unification?¹¹ Whether Beijing could give a *pro-independence* government an easy time and reward it for its studied non-provocation, remains to be seen.

Xi Jinping's Move

From the Chinese point of view, Cross-Strait relations are in a crucial phase as various Chinese strategies including Deng Xiaoping's political call for 'One Country, Two Systems', Jiang Zemin's military coercion, Hu Jintao's unilateral concessions or inducements to make the Taiwanese more amenable to unification have not been able to convince or scare the Taiwanese. President Hu (2003-13) could not convince President Ma (2008-16) for a peace agreement, military confidence-building measures or 'political talks' about the unification, even though they resumed talks

http://www.mofa.gov.tw/en/News_Content.aspx?n=8157691CA2AA32F8&sms=4F8ED5441E33EA7B&s=E14734C1FB32BB0B (Accessed 10, November 2016); *Focus Taiwan*, 'Full Text of President Tsai Ing-wen's National Day Address', October 10, 2016, at <http://focustaiwan.tw/news/aip1/201610100004.aspx> (Accessed November 10, 2016); *Taipei Times*, 'MAC Backs Local-Level Interaction across the Strait', October 14, 2016, at <http://www.taipeitimes.com/News/taiwan/archives/2016/10/14/2003657133> (Accessed October 31, 2016); *Taipei Times* 'Committee Calls for "Track Two" Dialogue with China', July 31, 2016, at <http://www.taipeitimes.com/News/taiwan/archives/2016/07/31/2003652166> (Accessed October 31, 2016).

¹⁰ Prashant Kumar Singh, 'Can Taiwan Talk "Political" with the Mainland?', *Strategic Analysis*, 39(3), May-June 2015, p. 255 and p. 264.

¹¹ Article 8 of the Anti-Secession Law mandates: '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'. See, 'Full text of Anti-Secession Law', at http://news.xinhuanet.com/english/2005-03/14/content_2694180.htm (Accessed November 10, 2016).

in 2008 under the shared vision of eventual unification exemplified by the shared 1992 Consensus.

Finally, the Sunflower Movement of March-April 2014¹², the two consecutive resounding and decisive electoral drubbings that the KMT received — first in the local body elections in November 2014 and then in the Presidential elections in January 2016 — exposed the limitations of inducement and the shared dream strategy. As for Xi, he is expected to take tough decisions to drive home China's position on unification issue, given his much talked about strong personality traits and aggressive pursuit of Chinese national interests. Notwithstanding some tough remarks, Xi - who has thrown up big ideas such as Mass Line, Four Comprehensives or One Belt, One Road (OBOR) - is yet to reveal whether he will alternate between coercion and inducement strategies or whether he will move beyond them.

Can Xi and Tsai Talk?

To be fair to Beijing, subject to its overall national mission of unification, it has continued the dialogue process with the various KMT governments for around 16 years, over two separate periods of approximately eight years each (1991/2-99, and then from 2008-16) under the shared goal of eventual unification. It has stuck to Deng Xiaoping's 1979 dictum of peaceful unification, except for its political messaging during the missile crisis in 1995-96 and the military exercises in the subsequent period.¹³ The larger international balance of power involving the US — the security guarantor of Taiwan under Taiwan Relations Act (TRA) of 1979 — has indeed played a significant role in deterring China against resorting to military methods. Even so, China's overall conduct in Cross-Straits relations cannot be ignored.

In 2008, Ma put 'No Unification' first in the sequence of his 'No Unification, No Independence and No War' dictum to allay Taiwanese sentiments. His emphatic 'No Independence' greatly reassured China especially when Cross-Straits relations hit their nadir, during the Chen Shui-bian era (2000-08) in Taiwan. The dialogue was resumed and ensured unprecedented normalisation, stabilisation and institutionalisation of Cross-Straits relations. It led to material gains for both sides in trade and investment, apart from initiating political (ministerial) level contacts in

¹² Jeffrey Wasserstrom, 'Taiwan's Sunflower Protests: A Q&A with Shelley Rigger', *Dissent*, April 11, 2014, at https://www.dissentmagazine.org/online_articles/taiwans-sunflower-protests-a-q-a-with-shelley-rigger (Accessed November 1, 2016).

¹³ See Shirley A. Kan, 'China/Taiwan: Evolution of the "One China" Policy, Key Statements from Washington, Beijing, and Taipei', October 2014, CRS at <https://www.fas.org/sgp/crs/row/RL30341.pdf> (Accessed November 5, 2016). Here, it should be noted that military hostility was mutual and reciprocal in the 1950s. The First Strait Crisis (1954-55) and the Second Strait Crisis (1958) are examples of this. After the second crisis, the Chiang Kai-shek government under pressure from the US abjured military means to recover the Mainland in the ROC-US Joint Communiqué of 1958, and pledged to adhere to political and diplomatic means. See the communiqué at http://www.straitstalk88.com/uploads/5/5/8/6/55860615/appendix_20__roc-u.s._joint_communiqu%C3%A9_1958_.pdf (Accessed November 10, 2016).

Cross-Straits dialogue between the heads of the MAC and the TAO in 2014 which eventually led to the Ma-Xi summit in 2015.

Without questioning the sincerity of Tsai's offer to discuss anything (may be, even unification), but without any preconditions, the difficulty in 2016 is that in spite of expressing respect for the historical facts of the talks in 1992, and reaffirming loyalty to the Republic of China (ROC) constitution to dispel any misgivings as to whether or not it considers Taiwan as part of China, there exist sections within the DPP that favour re-writing the constitution to cast away the ROC legacy.¹⁴ The Tsai administration and the ruling party do not offer any common goal or hope, howsoever distant, to the communists which would bolster their confidence in Tsai and convince them about advantages of entering into a dialogue with her. The noble vision of good relations for the sake of bilateral and regional peace, stability, prosperity and development is unlikely to cut ice with the communist leadership in Beijing, for whom unification is a national commitment, and it has never renounced the right to use force to realize it.

Further, terminological preferences in Cross-Straits relations come from ideological convictions, the understanding of the national history and identity, and the vision for the country. Tsai's nuanced terminological offerings cannot conceal the reality that sections of the DPP have stood for re-writing of the ROC constitution and changing of the country's name to jettison the ROC legacy. The ruling party in Taipei belongs to the side of the ideological divide in Taiwan that may accept Chinese cultural heritage to an extent, but rejects its political implications for the present political status of Taiwan vis-à-vis China. Therefore, its cultural and educational policies when in power are in accordance with this.¹⁵ Recently, in a meeting with Palau's President, Tsai was introduced as the President of Taiwan, which many would deem inappropriate given the existing terms of the ROC constitution, and which may not have gone unnoticed in Mainland China, where people might see it as evidence of DPP's Taiwanisation philosophy and policy.¹⁶ Thus, it is not about what the DPP or its leader says, it is also about what they do. China will not overlook any undeclared implementation of two-state theory (One State on Each Side) or independence.¹⁷

Conclusion

¹⁴ *The China Post*, 'Tsai Open to Meeting Xi "without Preconditions"', October 6, 2016, at <http://www.chinapost.com.tw/taiwan/china-taiwan-relations/2016/10/06/480319/Tsai-open.htm> (Accessed October 27, 2016).

¹⁵ Grace Tsoi, 'Taiwan Has Its Own Textbook Controversy Brewing', *Foreign Policy*, July 21, 2015, at <http://foreignpolicy.com/2015/07/21/taiwan-textbook-controversy-china-independence-history/> (Accessed October 31, 2016).

¹⁶ *Taipei Times*, 'Tsai Refers to "Taiwanese Government" in Meeting with Palauan President', May 22, 2016, at <http://www.taipeitimes.com/News/front/archives/2016/05/22/2003646823> (Accessed October 31, 2016).

¹⁷ Su Chi claims that Tsai said it to him some time after the DPP came into power under Chen Shui-bian in 2000 as the Minister of Mainland Affairs Council (MAC) in that government that the government will implement the two state-theory without declaring or mentioning it. Su Chi, *Taiwan's Relations with Mainland China: A Tail Wagging Two Dogs*, London and New York, Routledge, 2009, pp. 91-92.

The prospects of any Cross-Straits dialogue under Tsai and Xi remain bleak at least for the short and medium term. Yet, there is no cause for alarm in the relations. As things stand today, while Tsai would not like to be accused of squandering the gains made over the previous eight years, China is equally unlikely to implement any large scale measures beyond low-intensity economic coercion such as reducing tourist flows to Taiwan and making the life of Taiwanese businessmen a little more difficult in China. Moving beyond low-degree coercion to any large scale punitive measures, particularly in the economic field or in people-to-people exchanges will be difficult for China as it will contradict its long-standing policy to make a distinction between Taiwanese society at large and *a handful of pro-independence elements*, and alienate the common Taiwanese pushing them even further into the DPP fold. This is the lesson learnt from the Lee Teng-hui and Chen Shui-bian's victories in 1996 and 2000 respectively, amidst Jiang Zemin's strategy of military coercion. Moreover, they will hurt Chinese interests too, at least in short to medium term, as Taiwan is part of the global supply chain.

Thus, any predictions about China extending its One-China policy to the economic realm remains a wild-card, which could boomerang because large economies such as the US, Japan and the EU have got huge trade and investment stakes in Taiwan. Any discussion about China's military threat to Taiwan because of the DPP government thus would be unmerited at this moment. However, the diplomatic persecution of Taiwan in the international arena is, indeed, likely to increase because it is much more convenient for Beijing to assert its One China policy there, given that the international community has almost internalised the PRC version of the One China policy.¹⁸ Tsai's occupancy of the Taipei's President Palace actually gives China the perfect excuse to resume the diplomatic strangulation of Taiwan, because diplomatic gains made now would not only weaken Taiwan's international profile but would also give China an edge whenever the dialogue is resumed – whether with the DPP or KMT.

Unification does not seem to be a priority for Xi at present, as his plate is already full with more pressing international and domestic priorities such as the US Asia rebalancing, the South China Sea and the East China Sea disputes, domestic political consolidation especially in the run up to the 19th Party Congress, the implementation of military reforms and mega projects like OBOR. Moreover, the Taiwan section in his presidential CV is already blotted by the rise of the DPP. Whether, and to what degree, Xi Jinping will turn up the heat on Taiwan should be clear only after the 19th Party Congress, though some tough statements could be expected from him in the run up to the Congress too to strengthen his nationalistic credentials in the course of his political consolidation.

Tsai has the leeway to nurture a broad-based domestic consensus for her Mainland policy, do her homework for creating favourable international economic and political conditions for the diversification of Taiwan's international market, and the enhancement of sectoral cooperation with major entities in the international

¹⁸ *Taipei Times*, "Diplomatic Truce" An Illusion: Premier', October 4, 2016, at <http://www.taipeitimes.com/News/taiwan/archives/2016/10/04/2003656481> (Accessed October 31, 2016).

community and explain her position on Cross-Straits relations and convince the Mainland about her government's sincerity for maintaining peace in the Strait. Taking a cue from her predecessor, can Tsai move 'No Independence' up the sequence to allay Chinese apprehensions and convey a message that her government is not pursuing the independence agenda even though she does not denounce the idea of independence. The ball is squarely in her court.

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