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Session III: Cross-Strait Relations under President Ma

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Introduction

It has been almost fourteen months since Ma Ying-jeou took office as president of the Republic of China. A central goal of his administration has been to improve cross-Strait relations while not hurting Taiwan's fundamental interests, as well as to improve the island's relations with the United States. Doing all of this at the same time requires a significant balancing act.

As a metaphor for understanding the "leader's predicament" that Ma has faced, imagine having to play a game like chess, but on three boards at the same time *and* with the added challenge that a move on one board changes the configuration of the pieces on the other two boards. That is the challenge that Ma has faced. He must "play" at a cross-Strait board, a U.S.-Taiwan relations board, and a domestic politics board. An initiative in one arena (cross-Strait relations, for example, has implications for the other two arenas (his domestic political standing and Taiwan's relations with the United States).

The best outcome, of course, is that the three sets of interactions all move in a positive and mutually reinforcing way. Middling success would occur if there is progress in two arenas while damage in the third is managed and contained. Modest failure occurs when the game is won on only one board. When the player loses all three arenas, the outcome is utter failure.

One may argue that by early 2008, former president Chen Shui-bian had found himself in this latter cell. A case can be made that his original objective was to "win" on all three boards. In the 2004 presidential election he emphasized domestic politics at the expense of cross-Strait and U.S. relations and was able to retain power by the skin of his teeth. He lost temporarily on two boards but won on the one that he apparently thought was most important. Chen sought to duplicate that strategy for the 2008 election but this time the PRC saw "high danger," the United States criticized his UN referendum, and the Taiwan electorate inflicted a stunning defeat on the DPP. He provides, as Beijing might put it, a "negative example" on how to succeed as a leader of Taiwan.

Which stimulates the question: is Ma Ying-jeou doing any better?

Background

By way of background, it is important to identify and specify the problem that developed between Taiwan and the PRC in the years before Ma Ying-jeou took office. In my opinion, the core of the problem was that, despite the reality of economic cooperation and objective potential for even more, the leaders on each side believed increasingly that the other threatened its fundamental interests. What was important were the beliefs, whether they were true or not. Once each side chose to fear the other's intentions, it then adopted policies based on those fears.

- China feared that Taiwan's leaders were going to take some action that would have the effect of frustrating that goal and permanently separating Taiwan from China. So Beijing intensified its diplomatic quarantine and increased its military power to deter such an eventuality, and it did the latter with a seriousness that was unprecedented.

- Taiwan feared that China wished to use its military power and diplomatic clout to intimidate it into submission, to the point that it would have give up what it claims to be its sovereign character. Taiwan's deepening fears led it to strengthen and assert its sense of sovereignty.

- China, in a frequent misreading of what was going on, saw Taiwan's assertions of sovereignty as pushing towards de jure independence. So it increased its military power and diplomatic quarantine. And so on.

As noted, Chen Shui-bian sought to secure political advantage in waving the sovereignty flag.

The United States came to play a special role in this deteriorating situation. China's first line of defense when it facing such "dangers" was to mobilize the United States, on the assumption that Washington had more control over Taiwan it did. Taiwan, as a democracy, assumed that we would take its side as China's rhetoric became more threatening. Each was unhappy when Washington appeared to take the side of the other. In China, therefore, it is common to conclude from America's behavior that our policy is

one of blocking Taiwan independence but also obstructing unification. Some in Taiwan believed we sold out our democratic values for the sake of commercial or foreign-policy benefits with China. Sometimes in diplomacy, the best you can do is leave everybody equally unhappy.

Actually, the U.S. role is rather different from what observers in China and Taiwan believed. Washington's main goal has always been the preservation of peace and security in the Taiwan Strait. The principal danger, as we saw it, was that the two sides might inadvertently slip into a conflict through accident or miscalculation. The U.S. response was to pursue an approach of dual deterrence, or encouraging dual restraint, in order to keep low the possibility of accidental conflict.

Developments Since Ma's Inauguration

So the recent history of cross-Strait relations has been a vicious circle of mutual fear. The election of Ma Ying-jeou offered the possibility of a reversal of the vicious circle because he proposed a different approach to addressing Taiwan's China dilemma. He won electoral support (probably all the Blue voters and most independents) with this argument that reassuring and engaging China was the best way to ensure Taiwan's prosperity, security, and dignity, and to improve relations with the United States. He saw the potential for a virtuous circle by playing the cross-Strait board differently from Chen, and moving from mutual fear to mutual confidence.

We all know the results of the interaction between the two sides since Ma's inauguration:

- Use of the ambiguous 1992 Consensus as a basis for revival of semi-official contact;
- Resumption of semi-official dialogue at various levels and in various fields after restrictions for nine years;
- Signing of nine agreements in the fields of trade, transportation, tourism, travel, finance and investment, and crime control;

- Initial success on the international front with Taiwan's participation as an observer in the 2009 session of the World Health Assembly;

- The unprecedented visit by ARATS Chairman Chen Yunlin to Taiwan, and so on.

But we know that these achievements are the easy things and the difficult issues are yet to come. We know that not everyone on Taiwan is happy with these developments. The question of ECFA comes to mind.

Similarly, President Ma has made modest but significant progress on the issue of international space. It is significant because Taiwan in 2009 achieved something it had sought for twelve years: participation as an observer at the World Health Assembly. It is apparent proof of the long-standing argument that in international organizations where China is already a member, it is only through reassuring Beijing to some degree will it accommodate to Taiwan's desires, at least to some degree. Otherwise, PRC diplomats have both the power and the will to keep Taiwan out. That lesson also applied concerning Taiwan's representation at the APEC leaders' meeting.

This progress is still modest, however, because it is probably less than Taiwan desires when it comes to participation in international organizations. There are other functional organizations where Taiwan could make a significant and substantive contribution. But again, China's concurrence will be replied. Will it give it? There is no way to know until Taipei raises the issue. Early on, it was not at all certain that the WHA effort would work out to Taiwan's relative satisfaction. In the end, however, Beijing saw value in responding to Ma's appeal and accommodating Taiwan's participation.

Domestic Standing

One of the main reasons that Beijing has accommodated some on international space and agreed to expand cooperation in the economic spheres was to preserve Ma's standing at home. The managers of the Mainland's policy towards Taiwan understood to some degree that he was playing on at least two interactive boards and that he depended on their cooperation to ensure continued progress. (What does Beijing believe about what

happens to Ma when he plays on the American board? That is not so clear, but it probably hopes that he is not *too* successful in dealing with Washington.)

Recent polling suggests that President Ma is doing all right in maintaining domestic political support. The most unfavorable measure is his popularity, which was only in the high thirties back in the fall of last year but has now crept back to 41 percent, according to the latest Global Views poll (disapproval is at 46 percent). Somewhat more favorable is the response to questions about whether he is to be trusted. Those who trust him constitute 45 percent of those polled, while those who don't are at 38 percent. Of specific relevance to this analysis is the public's assessment of President Ma's cross-Strait policies. There, 53 percent of respondents say his cross-strait policy has been successful so far, while 55 percent say his cross-strait policy is more beneficial for Taiwan than that of Chen Shui-bian. 47.6 percent endorse his principle of "no unification, no independence, and no use of force."42.6 percent say his foreign policy has been successful so far.[1]

Trends in the public's political affinity are equally revealing. In general, these are trending in Ma's direction. Identification with the pan-Blue camp is at 40 percent, which is a bit less then the norm for the past four years. Association with the pan-Green camp is at 20 percent, at the lower end of the four-year range. Yet independents constitute 35 percent, and so constitute a wild card for the future.

Indeed, the difference between respondents' assessment of Ma's popularity and its view of his cross-Strait policies may reflect that independents are unhappy with Ma because of the effects of the global economic crisis but still support his approach to the Mainland. If he were to lose the support of a significant share of the independents on cross-Strait policy, he would be in trouble. So the verdict in the domestic political game is

[1] "Survey on President Ma's Approval Rating," Global Views Survey Research Center, June 22, 2009, http://www.gvm.com.tw/gvsrc/200906_GVSRC_others_E.pdf [accessed July 6, 2009]; "Survey on President Ma's Approval Rating on First Anniversary of Inauguration and Cross-Strait Issues," Global Views Survey Research Center, May 25, 2009, http://www.gvm.com.tw/gvsrc/200905_GVSRC_others_E.pdf [accessed July 6, 2009].

satisfactory for the short term, but it is still up for grabs in the medium term, which is what really counts.[2]

Which raises a really interesting question. Does Beijing understand that Ma's continued public standing, particularly the support of independents, is up for grabs?

The United States

Barack Obama signaled early on—at the time of Ma Ying-jeou's inauguration—that he and his foreign policy team looked favorably on Ma's approach to cross-Strait relations. He also expressed the hope that Beijing would respond positively to Ma's overtures and made a commitment to improve U.S.-Taiwan relations. That approach has not changed since the U.S. election. As Ray Burghardt said recently, "The Obama administration, like the Bush administration before it, has a very positive view of the progress that has been made since last May in restoring dialogue across the Taiwan Strait and in the many steps toward improved cross-Strait relations that have been taken. . . . For the United States, this new era of cross-Strait civility is very welcome and very favorable to economic interests. With cross-Strait dialogue restored, the danger of miscalculation and confrontation has been greatly reduced. Frankly the absence of dialogue for a number of years was a cause for some worry. . . . Our relationship with President Ma and with his administration has been excellent. We appreciate his commitment to "no surprises" and the fact that that commitment was a real commitment."[3]

Chairman Burghardt's statement illuminates the basis for this shift: the U.S. interest in cross-Strait peace and stability and its fear of the danger of miscalculation. Chen Shui-bian's approach to cross-Strait relations had caused a growing strategic divergence between Washington and Taipei on how to preserve peace and stability. The result was the worst deterioration on our bilateral relations in at least thirty years, simultaneous with the vicious circle that deepened between Taiwan and the PRC. Ma's different approach

[2] "Party Identification Tracking Analysis in Taiwan," June 2009, Global Views Survey Research Center, July 2009, http://www.gvm.com.tw/gvsrc/GVSRC_PID_200906_Eng.pdf, [accessed July 6, 2009].
[3] "Chairman Raymond Burghardt, AIT Press Conference," Taipei, March 18, 2009, AIT/Taipei website, http://www.ait.org.tw/en/news/officialtext/viewer.aspx?id=2009031901 [accessed July 8, 2009].

has fostered a strategic re-convergence and an improvement in the content and conduct of our ties, one that I expect will continue.

The Security Sphere

If there is any issue which could frustrate the positive play on the cross-Strait, American, and domestic politics boards and reverse the virtuous circle that is now at play, it is the military and security field. This is the area in which the least progress has occurred. There has been talk—but no action—regarding military confidence-building measures, which might be useful. More significantly, the People's Liberation Army [PLA] continues to procure and deploy equipment that puts Taiwan at risk. According to the last two Pentagon report on China's military power, released in March of 2008 and 2009, China's short- and medium-range missiles, which target Taiwan, increased from a range of 995-1070 to 1050-1150. This rate of growth is a bit less than previous years, but still raises the question, what is going on?

It is true that that some of the systems the PLA is acquiring have multiple uses, including surface ships, submarines, fourth-generation aircraft, and cyber-warfare. These can be used, for example, to protect China's interests in the East China Sea as well as attack Taiwan. (Note: dual use is cold comfort for Taiwan's security planners. They worry—correctly—that those systems will be used to attack the island and to block the United States from coming to the island's defense.)

Still, it is startling that Beijing, in response to Ma's election, did not freeze or reduce the procurements and deployments that are most relevant to Taiwan: ballistic missiles. After all, what drove China to its military buildup was its perception of the threatening intentions of Ma's predecessors. Ma, however, has pursued a policy of reassurance and reconciliation, yet with no effect on the buildup. We can imagine several possible reasons for this failure to adjust.

The first is bureaucratic: that the PLA procures equipment on a five-year cycle, and the adjustment to Ma's cross-Strait policies will begin in the cycle that starts in 2011. The second possibility concerns threat perception: PLA and other leaders simply do not

believe that the threat of separatism has disappeared. They fear that pro-independence forces could return to power so China must be prepared. The third possible reason is institutional. The PLA is increasingly a corporate entity that has its own view of how, within broad policy parameters, to protect China's national security. Of course, the explanation could be some combination of the three. We simply do not know.

But China's failure to adjust has important implications for the future of cross-Strait stability, because it affects the sustainability of Ma Ying-jeou's policies. This PRC move on the cross-Strait board could affect his position on the domestic politics board and his ability to secure re-election in 2012 for himself and his party. After all, Ma has made very clear that China's existing military capabilities are an obstacle to creating a truly stable cross-Strait environment. As he told *The New York Times* last year, "We don't want to negotiate a peace agreement while our security is threatened by a possible missile attack."

China derives significant strategic benefit from Ma Ying-jeou's policies, because they diminish what it saw as a serious threat. When Americans raise concerns about the build-up with PRC interlocutors, their usual response is to stress the value of CBMs in assuaging Taiwan's sense of anxiety. It is not for me, of course, to say how Taiwan should respond to the continuing PLA build-up, but I suspect that CBMs of the sort Beijing has in mind will not be enough.

Ironically, if China is too grudging in what it offers Taiwan in return, particularly in the area of security, it will undercut Ma's core argument and the political support that sustains it, and so return to power the very forces that China opposes. By frustrating Ma's ability to play successfully on the cross-Strait board, Beijing will hurt his play on the domestic board.Taiwan's fear of China's buildup contributed to the previous vicious circle. It cannot be in China's interest to restart a new negative spiral by keeping alive Taiwan's fears.

There are implications here for the United States. As noted, the progress that has occurred in cross-Strait relations since May 2008 is good for America because it reduces tensions and the possibility of conflict. But Washington recognizes that progress is unlikely to continue if Taiwan's sense of insecurity persists because of growing Chinese military

power. It understands that a Taiwan that remains subject to PLA coercion and intimidation in spite of its efforts to reassure Beijing is a Taiwan that will still doubt China's intentions and lack the confidence to negotiate with Beijing.

If Beijing by its actions demonstrates a continuing desire to increase Taiwan's sense of insecurity, then it is proper for the United States to seek to reduce that sense of vulnerability through arms sales and other forms of security cooperation. We should, of course, provide systems that strengthen Taiwan's real deterrent, not those that are useful primarily as political symbols (China can easily tell the difference).

So how the PRC plays on the cross-Strait board will affect what happens on the U.S.-Taiwan board. And it will also hurt U.S.-China relations (Washington plays on a PRC board as well). But the American attitude will be that China created this problem, not the United States or Taiwan.

Other Issues

The security issue is the main concern at this time, but it is not the only one. Another is the polarization of Taiwan's polity. It is good for Ma that a plurality the public supports his cross-Strait policies and trusts him. At the same time, the ruling party and the opposition party are unable to engage in a meaningful way on the key issues of cross-Strait relations. This is understandable, given Taiwan's recent political history, but it is not desirable.

One issue on which better KMT-DPP engagement would be valuable is on the sovereignty issue. Of course, Taipei and Beijing understand that cross-Strait progress is contingent on not forcing that issue or allowing it to become an obstacle. So the 1992 consensus becomes a useful way to meet that condition. Yet on some issues, it appears that Beijing will make the one-China principle the basis of discussion. How it defines the one-China principle at that point could have implications for future progress. President Ma has been careful to affirm that Taipei will not discuss unification within his eight years in office and that his path has a precondition: protecting the sovereignty of the Republic of China and defending Taiwan's dignity ("we became a sovereign,

independent country as early as 1912"). Yet a greater degree of consensus within Taiwan concerning its sovereignty would be desirable.

A final area of concern is conflicting expectations. It appears that people on the Mainland have more ambitious hopes for the current interaction than do people on Taiwan. A recent Global Views dual poll discovered a true case of "same bed different dreams." Mainland people liked Ma Ying-jeou much more than Taiwan people liked Hu Jintao (72 to 30 percent). Taiwan people regarded Mainland people mainly as business partners (54 percent), while those in the PRC saw Taiwan folks as "family and relatives" (52 percent). And 60 percent of Taiwan people thought Taiwan's ultimate destiny was to preserve the status quo while 64 percent of Mainland people thought that it was unification.

I actually believe that the senior leadership in the PRC and the managers of cross-Strait policy understand that pushing on unification any time soon would be counter-productive. Still, some still have more ambitious expectations. Ma Ying-jeou recently referred to Chinese "methods [that] seem to be a campaign for unification." If the leadership were to pursue a policy that pushed a final resolution of the PRC-Taiwan dispute before the public on the island was prepared to discuss it, such an effort would be counter-productive.

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In sum, cross-Strait relations have evolved in a way that is satisfactory for the three principal relationships we have discussed: Taipei-Beijing, Taipei-Washington, and the Ma Administration and the Taiwan public. Keeping it that way will continue to require skill, since the issues get harder. Ensuring that obstacles don't emerge to stall or reverse the process will be a challenge. Yet the reasons for facing that challenge are obvious.