ORDER from CHAOS
Foreign Policy in a Troubled World

ASIA WORKING GROUP
PAPER 1 | DECEMBER 2015

Taiwan's January 2016 Elections and Their Implications for Relations with China and the United States

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Foreign Policy
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ACKNOWLEDGEMENTS

I would like to thank my colleagues Kenneth Lieberthal, Jonathan Pollack, David Dollar, Maeve Whelan-Wuest and Gail Chalef for their careful and helpful review of the draft of this essay.

ABOUT THE ORDER FROM CHAOS PROJECT

In the two decades following the end of the Cold War, the world experienced an era characterized by declining war and rising prosperity. The absence of serious geopolitical competition created opportunities for increased interdependence and global cooperation. In recent years, however, several and possibly fundamental challenges to that new order have arisen—the collapse of order and the descent into violence in the Middle East; the Russian challenge to the European security order; and increasing geopolitical tensions in Asia being among the foremost of these. At this pivotal juncture, U.S. leadership is critical, and the task ahead is urgent and complex. The next U.S. president will need to adapt and protect the liberal international order as a means of continuing to provide stability and prosperity; develop a strategy that encourages cooperation not competition among willing powers; and, if necessary, contain or constrain actors seeking to undermine those goals.

In response to these changing global dynamics, the Foreign Policy Program at Brookings has established the Order from Chaos Project. With incisive analysis, new strategies, and innovative policies, the Foreign Policy Program and its scholars have embarked on a two-year project with three core purposes:

- To analyze the dynamics in the international system that are creating stresses, challenges, and a breakdown of order.
- To define U.S. interests in this new era and develop specific strategies for promoting a revitalized rules-based, liberal international order.
- To provide policy recommendations on how to develop the necessary tools of statecraft (military, economic, diplomatic, and social) and how to redesign the architecture of the international order.

The Order from Chaos Project strives to engage and influence the policy debate as the United States moves toward the 2016 election and as the next president takes office.

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Introduction

Taiwan has been enmeshed in United States foreign policy for the last six and a half decades. It is a complex issue that is often a point of key contention in U.S.-China relations. What role Taiwan plays and the impact that follows has varied greatly over time, as has its impact on U.S.-China relations, for good or ill. The level of tensions has ebbed and flowed, along with the various factors at play, but the key factor has always been the degree of enmity between Beijing and Taipei. A high level of tension entails the risk of wider conflict that might draw in the United States and leads each side to enlist Washington support.

The last eight years (2008 to the present) have been a time of relatively positive interaction among China, Taiwan and the United States, as the two sides of the Taiwan Strait worked on their own to improve relations and reduce the chances that Washington might be put on the spot. This was in contrast to the previous thirteen years during which Beijing and Taipei each feared that the actions and intentions of the other constituted a challenge to its fundamental interests. For an array of reasons, Washington could not stay on the sidelines.

The main variable setting the level of tension and danger has repeatedly been presidential elections in Taiwan, because they produce new leaders, and often, new policies towards China. Since 2008, Taiwan's President Ma Ying-jeou embarked on a policy that included reassurance to Beijing about the intentions of his government, engagement with China to normalize and expand cross-Strait economic relations, and the creation of stakes that each had in the preservation of peace and stability. Beijing responded well to these initiatives, but did not take all the steps that Ma has sought. The improvement in cross-Strait relations benefited the United States, since it freed up the time of national security decision-makers and led the Obama administration to take steps to improve its bilateral relations with Taipei. The Taiwan public's satisfaction with the accumulated results was enough to give Ma a clear re-election victory.

Taiwan will have its next presidential election on January 16, 2016, as well as elections for a new legislature. It appears that Tsai Ing-wen, the leader of the opposition Democratic Progressive Party (DPP), will win an easy victory against Eric Chu, the candidate of the ruling Nationalist or Kuomintang (KMT), Ma Ying-jeou's party. Tsai has been rather vague about her China policies, but Beijing has

long believed that she and the DPP have the ultimate objective of creating Taiwan as a separate country with no political relationship with the Beijing regime (the KMT is vague about the ultimate relationship with China, but opposes Taiwan independence). To protect its interests, China has stated several principles that it insists any Taiwan leader must accept if he or she wants good cross-Strait relations. Ma signaled well before the 2008 election that he would accept those points, while adding his own definition. Eric Chu has said that he would accept them as well. Tsai has given no indication that she will accommodate to Beijing's wishes.

Tsai's likely election will thus present China with a choice. Will it ignore its own principles for the sake of continuity and good relations? Will it trigger deterioration in cross-Strait relations to impose costs on Taiwan for electing a leader that it doesn't like? How much deterioration will it cause and how will Taiwan respond? Finally, how will the United States react to a cross-Strait dynamic that is more complicated than the one that it has enjoyed for the last eight years?

This essay does the following:

- Reviews the background of Taiwan's democratization and how it affected the island's relations with both China and the United States;
- Details the electoral situation in Taiwan prior to the upcoming presidential and legislative elections;
- Explores what the likely outcome of the presidential election may or may not mean for fundamental policies towards China;
- Outlines what Tsai Ing-wen, the current front-runner, has said about her cross-Strait policies;
- Details the significance of the November 7th meeting between Ma Ying-jeou and Xi Jinping;
- Explores Beijing's options for responding to a Tsai victory;
- And, explains the key implications for U.S. policy towards Taiwan.

Background

China's World War II leader Chiang Kai-shek retreated to Taiwan in 1949, after losing a civil war with Mao Zedong's communists. The United States provided robust support to his government until President Richard Nixon began the process of rapprochement with Mao's China in 1971-72 and President Jimmy Carter switched diplomatic relations from Taipei to Beijing in January 1979. Despite this setback, Taiwan became one of Asia's economic miracles through export-led growth. From the mid-1980s to mid-1990s, Taiwan then wrought a democratic miracle, first coopting native Taiwanese into the power structure and then peacefully transitioning from authoritarianism to political openness and lively electoral competition. (China, during this same period, pursued rapid economic development—with considerable participation of Taiwan companies—but China's communist leaders have decidedly not followed Taiwan's democratic political transition).

The United States supported and applauded Taiwan's economic growth. It cheered its democratization and Taiwan companies' business outreach to China beginning in the 1980s. The hope was that Beijing and Taipei, which had been locked in a zero-sum conflict since 1949, would find a way themselves to decrease tensions and even resolve their long-running dispute. Either outcome would

reduce the possibility that Washington, which still had something of a security commitment to Taiwan, would get drawn into a war.

Then the unexpected happened. Taiwan's first two elected presidents undertook policies that China interpreted as pursuit of irreversible and legal separation from the state of China. The communist government in Beijing opposed such a course, hoping for the unification of the two sides of the Taiwan Strait someday. The risk of conflict rose from the mid-1990s to 2008 for China, Taiwan, and the United States. But by 2008 the pendulum swung again. Taiwan's voters picked a more moderate, China-friendly government, and tensions declined. The United States was the beneficiary of this reduced tension, and Taiwan moved to the policy backburner. Meanwhile, the world's media focused on other problems.

Since the mid-1990s, therefore, Taiwan's domestic politics has been the key factor driving changes in relations between China and the island, and the degree of intervention by the United States. The wheel is about to turn again with the January 16 presidential and legislative elections. The DPP is likely to win control of the presidency and perhaps the legislature as well, and the policy changes that accompany that power shift may well revive China's fears. The island's public, China, and the United States are already asking whether the chance of conflict will rise thereafter. If it does, it will likely be because Beijing believes that Taiwan's new leaders are pursuing policies that threaten its long-term quest for unification and decides to take action to stop it. Taiwan's government would likely claim that its policies only reflect the democratically expressed preferences of voters, something that China's authoritarian government has no right to oppose. And then, each side will try to get Washington to take its side in the dispute.

Of course, Taiwan has had de facto independence since 1949, but Chiang Kai-shek and his Kuomintang party, have generally held the view that China was a divided state and that the territory of Taiwan is legally part of that China. The KMT has held that the unification of China would occur someday—but only on its terms. The government in Beijing has also held that the two territories were part of one China and that they should end the division someday—but again, only on Beijing's terms.

There is another Taiwan view, however, generally held by supporters of the Democratic Progressive Party, which was founded by the anti-KMT opposition in 1986. For the DPP, Taiwan is not part of a larger China and should someday be its own country. In 1991, the party even included the formal goal of Taiwan independence in its charter. Two obstacles block that aspiration. First, Beijing would treat the formation of a Republic of Taiwan as secession, and thus, a justification for war. Second, the great majority of the Taiwan public is pragmatic and understands the risk of that war. So, by a vast majority, they prefer the *status quo* over an unknown future.

This split over Taiwan's future has created two dominant political camps on the island. The Blue camp, which is dominated by the KMT, is not naïve about China's desire to incorporate Taiwan on its terms, but it believes that the island can best protect its interests by engaging Beijing economically and reassuring it that its own intentions are benign. The Green camp, which is dominated by the DPP, believes that the benefits of economic engagement with China have not trickled down to the broad population and is deeply fearful about China's basic unification intentions and how it pursues them.

In Taiwan politics, the flip side of the conflict over China policy is a shift in the public's political identity—away from an attachment to China towards one to Taiwan itself. This feeling had been suppressed during the first four decades of KMT authoritarian rule (1950s-1980s), but it flowered as the democratic system took root. During a 1994 survey, 26.2 percent of respondents said they were Chinese, 20.2 percent said they were Taiwanese, and 44.6 percent said they were both. Two decades later, in 2014, only 3.5 percent of those polled said they were Chinese, 60.6 percent said they were Taiwanese (triple the 1994 share), and 32.5 percent said they were both.[1]

Appeals to Taiwan identity became a staple of Taiwan politics. Election candidates played to localist sentiment, culture, and pride. Some politicians were not above stirring fear and hatred of China, and if Beijing responded by saber rattling (as it did on some occasions), so much the better. Identity appeals were easy for DPP candidates, as they were often supported by "native Taiwanese," people whose ancestors had come to Taiwan generations before 1949. The Kuomintang, which drew its support from people who had come over with Chiang Kai-shek in the late 1940s and some Taiwanese, could not afford to get outflanked on the identity issue since 75 to 80 percent of the population was Taiwanese. Lee Teng-hui, a Taiwanese leader in the Kuomintang who became president in 1988 and completed the process of democratization, was a master at using localist appeals to keep the KMT in power.

Taiwan's democratization and the rise of local Taiwanese identity shattered the assumptions of Beijing's policy toward the island. From 1949 to 1979, its primary objective was to win the fight over which government represented China in the international community. Chiang's KMT government, called the Republic of China (ROC), claimed to be the government of all of China and contended with Mao's People's Republic of China (PRC) within the international community. This was the contest between the "two Chinas." The PRC had essentially won that contest by 1980. But its fundamental goal was to induce Taiwan to give up its separate existence and become a part of the PRC on Beijing's terms. It likely believed that this objective was attainable once it had succeeded in isolating Taiwan within the international system, and particularly once the United States terminated formal diplomatic relations with Taiwan in 1979. Did not the KMT regime have the goal of unification? Weren't the people on the island all Chinese? As trade and business flowed across the Taiwan Strait after 1985, wouldn't Taiwan agree to be a "highly autonomous" part of the PRC? But Taiwan's democratization reshuffled that deck, by allowing the public a critical say in China policy. For Beijing, as the challenge of two Chinas receded, the threat of Taiwan independence reared its ugly head, at least in China's eyes.

For its part, the United States had effectively operated within a two-China context. It supported the ROC in the international system through the 1960s, even though it knew this was a losing battle. First Richard Nixon and then Jimmy Carter saw the strategic value of aligning with Beijing against Moscow and were willing to concede that the PRC was China. But Washington retained an "abiding interest" in peace and security in the Taiwan Strait,

[1] "Taiwanese/Chinese Identification Trend Distribution in Taiwan (1992/06~2014/12)," Election Study Center, National Chengchi University (http://esc.nccu.edu.tw/course/news.php?Sn=166#).

something that later administrations fortified, along with Taipei's confidence. As cross-Strait tensions declined in the early 1990s, the idea that the two sides of the Taiwan Strait might resolve their political differences on their own fostered hope that the U.S. role might also recede. So, Washington, too, was unprepared for the impact of Taiwan's democratization, specifically because it intensified PRC fears of Taiwan independence and the danger for the United States that Beijing would fight rather than tolerate an outcome it didn't want.

This new democratic dynamic began under Lee Teng-hui. As the leader of the KMT, he held to its position that China must be united on terms favorable to Taiwan. As a Taiwanese politician, he skillfully played on Taiwanese pride and fear of China in order to win Taiwan's first direct presidential election in 1996 (previously, it was an indirect election). But Beijing interpreted some of Lee's political initiatives and policy positions as evidence that he was a covert separatist. Lee's visit to the United States in 1995 provided one clear piece of evidence, leading Beijing to conduct missile tests near Taiwan right before the 1996 election, and pushing the United States to mount a show of force to deter further escalation.

The next challenge came in 2000, when DPP candidate, Chen Shui-bian, squeaked to victory against two KMT candidates. Although he and the DPP had moderated the party's rhetorical stance on China, Beijing still did not trust their soft words. As then-Premier Zhu Rongji proclaimed right before the March elections, "Taiwan Independence means war!" Once inaugurated, President Chen sought to reduce Chinese suspicions of his intentions, but with no success. He also changed electoral tactics for the 2004 and 2008 campaigns. Instead of advocating policies that appealed to the middle, he played to his base and promoted initiatives that stressed Taiwan identity, played on fears of China, and scared Beijing even more than before. The George W. Bush administration had been favorably disposed to Chen and Taiwan until the latter part of 2002. As the United States was drawn into his political conflicts with China, it concluded that the Chen administration was primarily responsible for an increasingly dangerous situation.

During the latter part of Lee Teng-hui's presidency and most of Chen's, the United States engaged in dual deterrence. It warned China not to use force against Taiwan, and it warned Taiwan not to take political initiatives that could provoke Beijing into using force. Simultaneously, it reassured Taipei that it would not sacrifice its interests for the sake of relations with China, and it reassured Beijing that it did not support Taiwan independence. This policy became encapsulated with the United States stating that it opposed any unilateral change in the Taiwan Strait *status quo*.[2] The balance between warning and reassurance towards the two contending parties varied according to the circumstances.

In 2008, Taiwan voters elected KMT Chairman Ma Ying-jeou as the new president. He ran on a platform of reassuring China about his party's intentions, engaging the Mainland economically, and expanding areas of cooperation. The reassurance part of Ma's program was his acceptance of an understanding called the "1992 consensus." As originally conceived, this formula expressed the two sides' commitment to "one China" but left it

[2] See, for example, Susan Thornton, "Taiwan: A Vital Partner in East Asia," remarks at the Brookings Institution, Washington, DC, May 21, 2015 (http://www.state.gov/p/eap/rls/rm/2015/05/242705.htm).

to each to verbally state its own interpretation of that commitment. This was a useful ambiguity in 1992 and 1993, which was a time when Beijing and Taipei cooperatively sought to create arrangements that facilitated economic relations but had a political connotation. As time went on, however, Taiwan became more suspicious that the 1992 consensus represented a political trap and so spurned it. Ma was willing to take a chance in reviving the formula, but his "interpretation" of "one China" was that it was the Republic of China. Beijing did not like that interpretation because it suggested there were two Chinas, not one. But it was willing to tolerate Ma's statement because it trusted his basic intentions.

Ma's policies brought greater stability to cross-Strait relations and fostered a more normal economic relationship. The results were good enough that he won a comfortable reelection in 2012. For both Beijing and Washington, Ma's policies were a welcome development: Beijing could worry less about a Taiwan breakout and Washington had less fear of being entrapped in an unnecessary conflict. The need for dual deterrence declined.

Taiwan's looming power shift

Rotation of power is guaranteed in any democratic system. The party in power becomes unpopular with the public as its leaders lose the appeal that got them elected in the first place. They make mistakes and the costs of their policies start to outweigh the benefits, which spurs a growing desire for change. The party out of power picks a better candidate, learns from past mistakes, retools its message, and mutes internal divisions that might weaken electoral prospects. The trend lines suggest that for Taiwan the change will come again in 2016, not 2020 or 2024.

First, the KMT's problems have accumulated. It made some unforced errors, the most serious of which was Ma's failed attempt in 2013 to remove the speaker of the legislature and a fellow leader of the KMT, Wang Jin-pyng. This move alienated those in the party who aligned more with the Taiwanese Wang, who hails from the south, than with Mainlander Ma, who was born in Hong Kong and made his political career in northern Taipei. Also, the public became unhappy with the fruits of Ma's engagement-with-China policies. Increasingly that engagement took form in liberalizing cross-Strait trade and investment, which was certainly good for some business sectors in the short run and for the whole economy in the long run. In the short run, however, the perception that opening the economy would create far more losers than winners spread.

Furthermore, a new political force has become prominent in the island's politics. It is composed of small activist groups that are adept at finding causes that capture public attention. They then use social media and other techniques to mobilize large demonstrations. The most prominent example of these campaigns—the "Sunflower Movement"—occurred in the spring of 2014, when young activists fearful of China and against a major cross-Strait trade agreement occupied the legislature for almost a month. The DPP has been far more able to co-opt these groups than has the KMT.

There also was the melodrama of picking the KMT's 2016 presidential candidate. Ma Ying-jeou was limited to two terms as president and had no obvious successor. Party chairman Eric Chu Liluan and other principal leaders were reluctant to run. Hung Hsiu-chu, a deputy speaker in the legislature, put herself forward to encourage one of her seniors to jump in the race, but

when none did she was formally nominated in July 2015. By the fall, panic spread within the KMT as it contemplated losing both the presidency and the legislature. The embarrassing denouement was a special session of the party congress in mid-October where party representatives rescinded Hung's nomination and gave it to Eric Chu.

In contrast, the DPP has navigated a more successful path. It went through a period of soul-searching and examined the ways that Chen Shui-bian misused the opportunities that his victories in 2000 and 2004 provided. Most seriously, he had tolerated a climate of corruption, which affected not only some members of the party but also of his own family. Party leaders worked to reduce the rivalries among the factions of what has always been a pluralistic party. The DPP caucus in Taiwan's parliament, the Legislative Yuan (LY), used every opening available to frustrate Ma Ying-jeou's agenda. The party was quick to spot the value of aligning with and co-opting the new social movements that arose after 2012. This worked to its advantage in the November 2014 local elections, when the young people of the Sunflower and other movements turned out to vote for the DPP in numbers that even it did not expect. And early on in the campaign season, it united behind Tsai Ing-wen as its presidential candidate for 2016.

Taiwanese by birth and a lawyer by training, Tsai served in the Lee Teng-hui and Chen Shui-bian administrations. She played key roles in Taiwan's accession to the WTO, in Lee's effort to prepare for political talks with the Mainland (talks that ultimately were aborted), and in Chen's cross-Strait and economic policy-making. She has made the difficult transition from a professional and official to a politician, and has fostered a clear contrast between her even-tempered style and Chen's more combative one. She ran as the DPP's candidate in 2012, when the odds were stacked against her because Ma was running for re-election and his policies still had substantial support.

Polls confirm that the wheel of Taiwan politics is turning in the DPP's direction. Tsai has led any putative Blue camp candidate for months, and in November 2015 the percentage of respondents who said they supported her was 26 points ahead of Eric Chu (46 percent to 20 percent; an independent candidate had 10 percent).[3] The variable of party identification is another revealing factor. The monthly tracking poll conducted by Taiwan Indicator's Survey Research shows that identification with the KMT and DPP see-sawed during 2013 and through the first nine months of 2014, after which the DPP took a lead. In October 2015, the DPP had a 28 percent support rate and the KMT had a 19 percent support rate, a three-to-two margin. "Neutrals" exceeded both of them at 36 percent but that is to be expected at that point of the race.[4] By way of comparison, the January 2012 legislative election results—specifically the ballots cast for parties—are indicative of identification rates at that time. The KMT received 47.58 percent of the party votes, and the DPP received 36.98 percent, almost a four-to-three margin the other way.[5]

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[3] "'Taiwan Minxin Dongtai Diaocha, Daxuan yu Ma Xi Hui' Mindiao Xinwengao" ("Press Release: Public Opinion Poll on 'Taiwan Mood Barometer, the General Election, and the Ma-Xi Meeting,'") Taiwan Zhibiao Mindiao (Taiwan Indicators Survey Research), November 12, 2015 (www.taiwansecurity.org/files/archive/413_5240b6fb.pdf).

[4] "Daizhi 2015 nian 10 yuedi Minzhong Zhengdang Lichang Qingxiang Zhuizong Fenxi" ("Tracking Analysis of Trends in Party Identification at the End of October 2015"), Taiwan Zhibiao Mindiao ("Taiwan Indicators Survey Research"), November 2015 (www.tisr.com.tw).

[5] "2012 Elections: KMT Maintains Majority," *Taipei Times*, January 15, 2012 (www.taipeitimes.com/News/frontarchives/2012/01/15/2003523250).

There is also the real possibility that the DPP might win majority control of the LY for the first time, with 78 seats in geographical electoral districts at stake.[6] Obviously, each district is different and usually the outcome reflects the reputation of the candidates and not the issues, so predictions at this point are difficult. It is also true that the KMT has a built-in advantage because a few districts have always voted its way and are likely to remain so (e.g. seats reserved for aborigines). A key variable in this election is whether Tsai, assuming she wins the presidential race, has long coattails. Nathan Batto, a Taiwan-based specialist on the island's politics, recently made a rough estimate derived from how the aggregate vote in the district elections will translate into the number of seats each party will obtain in the new legislature. His conclusion was that "if the DPP wins the [aggregate] district vote by roughly 50-45 percent, they will win a majority in the legislature."[7] The significant swing in party identification toward DPP's direction means that such a vote margin is not implausible, and at this point, the race is clearly Tsai's and the DPP's to lose.

What do Taiwan electoral trends mean for cross-Strait and U.S.-Taiwan relations? If Eric Chu is able to do the unexpected and defeat Tsai, then continuity will be the order of the day. He has said that Ma's basic approach to China policy—reassurance, engagement, and building cooperation—would continue. He has pledged as much. Yet it is worth noting that the expansion of cross-Strait cooperation slowed significantly during Ma's second term. The low hanging fruit has long since been harvested. Ma found it harder to carry out his initiatives in his second term than in the first. The issues became more difficult, and the Taiwan public became increasingly skeptical about the value of deeper integration with the Mainland.[8] Similarly, cross-Strait relations under Chu would face similar difficulties. Even so, Beijing is unlikely to change its basic approach to Taipei under another KMT administration.

Everything Beijing has said so far suggests that it will respond to a Tsai victory and a possible Green-controlled legislature with some degree of alarm, since it has long associated the DPP with Taiwan independence. Throughout 2015, PRC President Xi Jinping has laid out his government's basic preconditions for stable cross-Strait relations. For example, in May 2015, he met with Eric Chu in the latter's capacity as KMT chairman (five months before he became the KMT's presidential candidate). For Beijing, the "political foundation" for stable cross-Strait ties was opposition to Taiwan independence, adherence to the 1992 consensus, and acceptance of the formula that Ma had accepted in 2008 and described as "one China, different interpretations." But Xi gave greater emphasis to what he calls the "core of the political foundation," which was the principle that the territorial scope of "one China" was both the Mainland and Taiwan. In an implicit warning to Tsai Ing-wen and the DPP, Xi said, "To deny the 1992 Consensus, challenge the legal basis of both sides of the Taiwan Strait belonging to one China, or engage in 'each side [of the strait] a [separate] country' or 'one China and one Taiwan' will undermine the fundamental

[6] Thirty-five seats are filled proportionately on the basis of a separate vote for one's preferred political party. The distribution of seats based on district votes and based on party votes is not exact but it is close.

[7] Nathan Batto, "Possible Outcomes in the LY Elections," Frozen Garlic Blog, October 26, 2015 (https://frozengarlic.wordpress.com/2015/10/26/possible-outcomes-in-the-ly-elections/).

[8] For electoral political reasons, Chu has seen it fit to retain LY speaker Wang Jin-pyng, who has a strong base within the KMT and in southern Taiwan. But Wang has run the LY in ways that protect the interests of minority parties and coalitions, thus frustrating initiatives of the KMT majority and President Ma.

interests of the nation, the country, and the people, and shake the cornerstone of the development in cross-Strait relations, and there will be no possibility of peace or development."[9] By implication, future meetings between the chairmen of the Straits Exchange Foundation (SEF) and Association for Relations Across the Taiwan Straits (ARATS)—the private organizations established by both governments to handle cross-Strait affairs on a day-to-day basis—would be impossible. Echoing this outlook, PRC Taiwan scholar Zhou Zhihuai said at a conference in October 2015 that policy options for cross-Strait relations were moving from "opportunity management" to "crisis management."[10]

But the possibility that the irresistible force of a DPP victory will meet the irresistible object of PRC policy conditions merits further examination in two respects. One is what the elections say about Taiwan's fundamental direction and the other is what Tsai Ing-wen has said about her cross-Strait policy.

The significance (or non-significance) of a DPP victory

Election outcomes result from a variety of reasons. A party may win simply because it does a better job at tasks like raising campaign contributions, framing campaign issues to its advantage, and getting its stronger supporters to the polls on election day. It may win because it also captures and exploits a significant change in the public's view regarding the direction of the country. On some important measures, Taiwan public opinion has been fairly constant over the last two decades:

- The growing strength of Taiwan identity and the weakening of Chinese identity, which cause concern in China, have already been mentioned.
- The strong preference for the *status quo* and little desire to move away from it. In 2014, for example, 59.5 percent of survey respondents were wedded to *status quo*, either forever or for a long time. Just over a quarter of respondents (25.9 percent) wanted to maintain the *status quo* for an undefined period and then move to an ultimate outcome: 18.0 percent for independence and 7.9 percent for unification. Only 5.9 percent of respondents wanted to move towards independence right away, while 1.3 percent desired unification right away.[11] This mainstream sentiment is a mixed blessing for Beijing: it serves as a bulwark against what China fears (independence) but remains an obstacle to what it has long sought (unification).
- The public has apparently preferred the KMT's approach to China (economic engagement) over that of the DPP, about 55 percent to 45 percent (in a favored Mainland expression, "the Blue camp is larger than the Green camp"). For example, a poll conducted in late February 2014, right before the Sunflower Movement students seized the Legislative Yuan, found that 45.7 percent of those surveyed favored the KMT's approach to engagement

[9] "President Xi Jinping Meets With Taiwan KMT Chairman Eric Chu Chu Li-luan in Beijing on 4 May," Xinhua, May 4, 2015 (Open Source Center [OSC] CHR2015050422883304). "Peaceful development" is Beijing's code word for the type of cross-Strait relations that occurred during the Ma administration.

[10] Zhou Zhihuai, presentation at "Strategic Framework in East Asia and Situation in Taiwan" conference, Shanghai Institute for East Asian Studies, Shanghai, China, October 2015.

[11] "Taiwan Independence vs. Unification with the Mainland Trend Distribution in Taiwan (1992/06~2014/12)," Election Study Center, National Chengchi University (http://esc.nccu.edu.tw/course/news.php?Sn=167).

with China, while 31.4 percent preferred the DPP's (the rest did not know or had no opinion). This result was all the more interesting because the poll was conducted by the DPP and suggested that the Sunflower Movement did not in fact reflect a majority opinion.[12]

- An October 2015 poll presented respondents with a number of slogans regarding cross-Strait relations, and asked them which ones they associated themselves with. The phrases that implied accommodation to China received a minority of support and those that emphasized Taiwan's separate and unique character received majority support. This difference was particularly strong among young people.[13]

If Tsai Ing-wen wins the election, a key question will be whether it represents a shift in the underlying balance of sentiment away from the KMT's approach to China and toward the DPP's direction. An answer to that question probably will not come until the election itself, which will provide a chance to conduct exit polls of real voters rather than telephone surveys with relatively small samples of people. The findings may shed light on whether this shift reflects a fairly short-term dissatisfaction with the performance of the Ma administration or a major realignment of political forces and attitudes that will shape Taiwan politics for a long time to come.

The answers will have major policy implications. If Tsai wins because of skill in electoral tactics but the balance of sentiment has not changed in any fundamental and long-term way, it suggests that the new administration should feel constrained from pursuing a radical course because it would lack public support. That is, the same democratic system that brings the DPP to power could restrain any impulses it might have to challenge Beijing's bottom line. This is particularly true if the Blue camp retains control of the legislature, since the legislative results may better reflect the underlying balance of sentiment than the presidential vote. This scenario also suggests that Beijing should not panic nor abandon its past belief that time is on its side and that its policy approach of engaging Taiwan will ultimately lead to unification.

On the other hand, if detailed polling indicates that a lasting realignment of electoral power has occurred and the basic balance of sentiment has changed in the direction of greater caution towards China, then the Tsai administration would seem to have more—but not total—freedom of action. This scenario would suggest that Beijing's past policy approach has failed and that what China wants (unification) is even further away, and that what it fears (Taiwan independence) may loom closer. But Beijing might interpret the election as the prelude for a significant shift in Taiwan's policy even if there was not a shift in basic policy sentiment.

What has Tsai said about her cross-Strait policy?

Tsai has shown caution and restraint in her statements on cross-Strait policy. She has a good reason to dissociate herself from the DPP's past radical tendencies, because she knows that support for formal and legal independence is weak and that the

[12] "Most Taiwanese people prefer KMT's, not DPP's China policy: poll," March 13, 2014, Focus Taiwan (http://focustaiwan.tw/news/aipl/201403130037.aspx). This result also suggests that in those cases when the DPP won the presidency (2000 and 2004), it did so because of a combination of its superior skill in electioneering and KMT mistakes. When the KMT won, it was because it did a good job of associating itself with majority sentiment on engaging China and mobilizing its natural supporters.

[13] "Daizhi 2015 nian 10 yuedi Minzhong Zhengdang Lichang Qingxiang Zhuizong Fenxi" ("Tracking Analysis of Trends in Party Identification at the End of October 2015"), Taiwan Zhibiao Mindiao ("Taiwan Indicators Survey Research"), November 2015 (www.tisr.com.tw).

majority of the public prefer "the devil they know" to anything else. She certainly has an incentive to reassure voters that she is not like Chen Shui-bian, and she has moderated some of her stances from when she ran for president in 2012. In that regard, she appears to have succeeded. But because she has a significant lead, she lacks an electoral reason to be more specific or moderate about her approach to the Mainland. To do so would likely alienate her strongest and most anti-China supporters, and she may already have the support from middle voters for whom specificity and moderation might be important.

Tsai stresses the need for policy formulation to be transparent and reflect the interests and aspirations of all of the island's people. In a June 2015 speech at the Center for Strategic and International Studies (CSIS) in Washington, D.C., she said: "While I advocate for constructive exchanges and dialogues with China, I will ensure the process is democratic and transparent, and that the economic benefits are equitably shared." This position is the flip-side of the DPP assertion that Ma's policies toward China were developed without sufficient public scrutiny and only benefited the wealthy and large corporations.

On the substance of policy Tsai's key slogan is that if elected she will "maintain the *status quo*." One reason for proclaiming this objective is her need to preemptively negate criticism that the Taiwan public would suffer economically if she became president, a charge she received in 2012 and that diluted her support, especially in the final critical weeks of the campaign. Another is to associate herself with the consistently dominant public view on the island's future direction, which favors preservation of the *status quo* for an extended period of time.[14]

But Tsai's declared commitment to the *status quo* has triggered political debates about the content of that *status quo*, both within Taiwan and between it and the Mainland. Both the KMT and China have asserted that the *status quo* of the Ma administration was only made possible through political reassurances that Ma made to China—specifically, his vow to adhere to the 1992 consensus. That is, Beijing's definition of the *status quo* includes Taiwan's adherence to the 1992 consensus, which, in its view, fostered the cross-Strait cooperation that developed after 2008.

Tsai has responded to this argument, but only in an allusive way. In her CSIS speech, she pledged that if elected, "I will push for the peaceful and stable development of cross-Strait relations in accordance with the will of the Taiwanese people and the existing ROC constitutional order." Some observers took the reference to the "existing ROC constitutional order" as an indirect commitment to one China, since it is often inferred that that basic document, enacted in 1947, was a one-China constitution. But during the question and answer section, Tsai muddied that inference by defining the "order" as "the provisions of the constitution itself, subsequent amendments, interpretations, court decisions, and practices by the government and different sectors of the population." That definition (particularly the reference to "practices") is so broad that it is unclear what is included and what is not. She paired the constitutional order with "the will of the Taiwanese people" as the two bases for developing cross-Strait relations. What happens, however, when "the will of the people" conflicts with the "constitutional order?" And who has the right to answer the question?

[14] "Taiwan Independence vs. Unification with the Mainland Trend Distribution in Taiwan."

Tsai also made an apparent allusion to the 1992 consensus and the outcomes that flowed from it. She said: "The two sides of the Taiwan Strait should treasure and secure the accumulated outcomes of more than twenty years of negotiations and exchanges. These accumulated outcomes will serve as the firm basis of my efforts to further the peaceful and stable development of cross-Strait relations."

Are these allusive attempts to reassure Beijing likely to succeed? They were certainly an improvement on some of her statements from the 2012 campaign in which, for example, she asserted that the 1992 consensus "did not exist."[15] Now she speaks approvingly of the outcomes from twenty-plus years of negotiations, which presumably includes the talks in 1992. Yet Tsai's success in reassuring the Mainland depends on whether China has an underlying trust in her basic intentions and is at least willing to give her the benefit of the doubt. If it does, it can overlook allusiveness and even occasional unwelcoming formulations, as was the case with Ma Ying-jeou.

However, it appears thus far that Beijing has little or no confidence that her goals are compatible with its own. In the late summer and fall of 2015, the Chinese government's message was that it was not enough for Tsai to refrain from rejecting things like the 1992 consensus. Instead, she had to affirm them.[16] It is not inconceivable that Tsai and Xi Jinping might find a way to continue recent coexistence and avoid trouble. But it is also possible that misperceptions and/or a conflict of goals may heighten the risk of political, if not military, conflict. In that circumstance, Washington will have to spend more time and mobilize considerable diplomatic skill in order to uphold its "abiding interest" in peace and stability.

The Xi-Ma Summit

The surprise meeting between Xi Jinping and Ma Ying-jeou in Singapore on November 7, 2015, added a new element into the mix. It was arranged in great secrecy, a fact that the DPP criticized as contrary to its stated core principle of governing democratically and transparently. That assertion did not render the meeting any less historic; the most recent near-precedent—a meeting between Chiang Kai-shek and Mao Zedong in Chongqing—occurred in 1945. This is not the first time, however, that a summit was planned under a cloak of secrecy. Generally, heads of state or government do not meet unless each sees a value of doing so at minimum risk, and only if there is a degree of trust between the two.

Key statements that followed the Ma-Xi summit suggest its potential effect on cross-Strait relations: an authoritative account carried by China's Xinhua news agency on the "four points" that Xi likely conveyed in private; Ma Ying-jeou's remarks at a post-meeting press conference; and, a short statement by Tsai Ing-wen, who hovered like a dark cloud over the proceedings.[17]

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[15] James Lee, "Central News Agency: DPP Chief Denies '92 Consensus,' Calls For New Mechanism," Central News Agency, August 23, 2011 (OSC CPP20110823968063).

[16] Alan D. Romberg, "Squaring the Circle: Adhering to Principle, Embracing Ambiguity," *China Leadership Monitor*, no. 47 (Summer 2015) (www.hoover.org/research/squaring-circle-adhering-principle-embracing-ambiguity), pp. 7-10.

[17] "Xi Jinping Meets Ma Ying-jeou, Makes Four-Point Proposal on Consolidating Cross-Strait Ties," Xinhua Domestic Service, November 7, 2015 (OSC CHO2015110742293031); "CNA: Full Text Of Ma's Opening Remarks At Post Summit Press Conference," *Central News Agency,* November 8, 2015 (OSC CHR2015110817126537); "Dr. Tsai Ing-wen reacts to The Ma-Xi Meeting," DPP website, November 7, 2015 (http://english.dpp.org.tw/responsemaxi/).

Xi Jinping enveloped his remarks with appeals to ethnic solidarity and national unity. His message was that the people of the Chinese Mainland and the people of Taiwan are in fact one big happy family and the differences of the past do not negate that fact. The cooperation that has existed during the Ma administration has strengthened those bonds. Moreover, ending the political division between the two sides of the Strait is critical for his larger task of rejuvenating the Chinese nation and restoring it to its proper place in the world. For Xi, a divided country is by definition a weak country.

Yet these ethnic and nationalistic appeals likely rang hollow among many in Taiwan. The "Taiwan family" remains quite divided between the "Mainlanders" and Taiwanese, who remember the KMT's harsh rule from 1949 until the 1980s. Because the Mainland is ruled by the Communist Party, being part of Xi's kind of Chinese nation has little attraction for many on Taiwan. As noted above, the share of the population that actually favors political unification is quite low.

Xi then identified two paths that Taiwan could take under the government to be elected in January. It could continue to follow the path it has walked for the last seven-plus years under the Ma administration ("peaceful development"). Or it could take the path of renewed "confrontation," "separation," and zero-sum hostility. If Taiwan wished to follow the first path, Xi insisted, its leaders must adhere to the 1992 consensus and oppose "Taiwan independence." Without this "magic compass that calms the sea," Xi warned, "the ship of peaceful development will meet with great waves and even suffer total loss."[18]

Xi did convey a willingness to overlook the DPP's past positions and actions, but only if it identified with "the core connotation of the 1992 consensus." Xi then sought to make sure that Taiwan voters understood the limits to his tolerance. "At present," he said, "the greatest real threat to the peaceful development of cross-Strait relations is the 'Taiwan independence' force [code for the DPP] and its splittist activities. The 'Taiwan independence advocates' instigate hostility and confrontation between the two sides of the Strait, harm the state sovereignty and territorial integrity, undermine peace and stability . . . which will only bring disastrous consequences to the compatriots on the two sides of the Strait." For Xi, no third option seems to exist.

Xi's effort to sharpen the choices facing Taiwan is not new. The "two paths" is a staple of PRC attempts to shape Taiwan's electoral outcomes. The subtext is that Beijing, having stated the principles that Taiwan must follow, will not be responsible for the consequences if the new government chooses what Xi calls the path of "disaster." Beijing believes it occupies the moral high ground, so any actions it takes will be justified. Whether it is smart for Beijing to apparently back itself into a political corner this way, and in doing so, offend ample parts of the Taiwan public, is another question.

Ma Ying-jeou's focus for his meeting with Xi was the "consolidation of 1992 consensus and maintenance of peace across the Taiwan Strait" and how to do it. He agreed with Xi on the critical importance of the 1992 consensus because he believes that his acceptance of it made his administration's considerable achievements possible, at little cost

[18] "Xi Jinping Meets Ma Ying-jeou, Makes Four-Point Proposal on Consolidating Cross-Strait Ties."

to Taiwan. Ma revealed that he raised five areas of concern during the meeting. The first was mutual hostility and the need to resolve disputes peacefully. His focus in this regard was China's unremitting efforts to exclude Taiwan participation in the work of international non-governmental organizations. This exclusion affects Taiwan specialists in a variety of substantive fields and has not been well received by the public. Second, Ma conveyed the concern that Taiwan people have about China's growing military capabilities and their deployment in ways that threaten Taiwan. Third, he stressed Taiwan's desire to participate in regional economic integration efforts, from which it has been excluded because of Chinese opposition. Fourth, Ma highlighted the need for Beijing not to rush in trying to solve historical issues that "the two sides cannot solve overnight." And, fifth, Ma also asked Xi for progress on the signature initiative of his second term: that SEF and ARATS be able to establish a branch office in Beijing and Taipei, respectively.[19]

None of Ma's specific issues are new. He had hoped that improving the cross-Strait economic relationship would yield Chinese goodwill on international participation, military security, regional economic integration, and representative offices, but to little or no avail. The likely reason is that Xi has allowed bureaucratic agencies to manage these matters (that is, the ministries of foreign affairs, national defense, trade, and public security). Xi by no means rejected Ma's requests but his responses, while positive in tone, made no concrete commitments. The only concrete result of the meeting was a commitment to establish a hotline between the Mainland Affairs Council and the Taiwan Affairs Office, the two government agencies responsible for cross-Strait policy.[20]

Taiwan voters might conclude from this lack of progress that even if their government tries to reassure and accommodate China on issues important to it, Beijing will not reciprocate its efforts on matters about which Taiwan cares. Ma hinted that he might not disagree with this view: "How cross-Strait relations develop in the future will have to take into account the direction of public opinion. In particular," he said, "I reiterated that cross-Strait relations should be built on the foundation of dignity, respect, sincerity, and goodwill, for only then can we shorten the psychological gap between the two sides."[21] The implication of this statement is that China undermined its own goals by not doing enough to "win the hearts and minds of Taiwan people."

Following the Singapore meeting, Tsai Ing-wen briefly criticized Ma for his failure to achieve three things: "guaranteeing the 23 million Taiwanese' right to choose; [reject] political preconditions in the cross-strait relationship; and attain equal respect." Her recurring reference to the right of Taiwan people to choose reflected the paramount emphasis she places on the island's democratic system. Her objection to "political preconditions" was an obvious, negative allusion to the 1992 consensus. Again, none of this was new. Her principal points reflect long established positions by her and the DPP. Moreover, they are consistent with the principal themes of her campaign. Tsai's own response

[19] "Full text of ROC President Ma Ying-jeou's remarks in meeting with mainland Chinese leader Xi Jinping," News Release, (Taiwan) Mainland Affairs Council, November 9, 2015 (www.mac.gov.tw/ct.asp?xItem=113323&ctNode=6337&mp=3).
[20] But the experience of the U.S. government is that even if hotlines exist, the Chinese side does not always use them.
[21] "Full Text of Ma's Opening Remarks at Post Summit Press Conference," *Central News Agency*, November 8, 2015 (OSC CHR2015110817126537).

to the Ma-Xi meeting was mild and low-key; the pro-Green press was not so restrained in its criticism of Ma.

There is some overlap in the three different statements. Xi and Ma agree on the importance of the 1992 consensus, and Ma and Tsai actually agree that the Taiwan public should and does have a say on cross-Strait policy. Xi and Tsai, however, agree on nothing, and this has the makings of a serious stand-off if Tsai wins the election. Xi's statement seems to reflect a desire to set the basic terms of future cross-Strait relations in ways that Tsai cannot accept and also demonize her and her party for being the "Taiwan independence force." This raises two questions. First, does Xi understand that he may be strengthening Tsai's position rather than weakening it? Second, is Tsai willing to run risks for Taiwan if Xi means what he says?

How might China respond to a DPP victory?

As cited above, Mainland officials and scholars have issued a stream of warnings about what will happen to cross-Strait relations if Tsai Ing-wen and the DPP do not accommodate to its position. There are several ways to interpret them.

One presumably is that Beijing has stated these demands as a tactical measure, in the expectation that they will influence Taiwan public opinion and even pressure a President Tsai to accommodate. In that case, the risks for the Mainland are very low. This is essentially what happened in 2012, when threats of a downturn in cross-Strait relations helped contribute to Ma Ying-jeou's victory. Although Tsai has a larger lead in the 2016 presidential race than in 2012, Beijing's motivation may still be tactical, in the belief that taking a hard line will encourage voters to cast a split ballot, by supporting Tsai for president and the KMT candidates for the LY. A KMT-controlled LY will then become a check on Tsai. If the DPP takes power, the Mainland may then impose some costs on Taiwan, most likely freezing cross-Strait relations as they are and negotiating no new agreements. But across-the-board punishment would be kept in reserve.

The second possibility is that Mainland leaders have little expectation that they can stop a Tsai victory but believe that a take-it-or-leave-it stance is the best way to protect Beijing's interests. In this case, China is fully prepared to impose short-term costs on Taiwan if Tsai becomes president and blame her recalcitrance for the ensuing consequences. The costs the Mainland will bear are low, and sooner or later, chastened voters will return the KMT to power. Also, Beijing probably believes that as a matter of consistency it cannot continue cross-Strait relations as they are if Tsai is unwilling to commit to the same principles as Ma Ying-jeou. In this case, Beijing's opposition to Tsai and the DPP is more strategic than tactical.

What "punishments" would be inflicted under this scenario? The highly likely category of punishments includes freezing formal negotiations on cross-Strait relations. In Beijing's view, the negotiations conducted and the agreements concluded since 2008 have been based on Taiwan's acceptance of the 1992 consensus, so no new negotiations or agreements are possible with an administration that does not accept that precondition. Other possibilities include:

- Stopping or radically reducing Mainland tourism to Taiwan and preferential treatment for the island's farmers (economic "favors" that Beijing has bestowed during Ma's presidency).

- Further restricting Taiwan's participation in the international community: getting some of Taiwan's diplomatic partners to switch diplomatic relations to Beijing; ending Taiwan's limited participation in the World Health Assembly and the International Civil Aviation Organization; pressuring countries with which Taiwan has unofficial but substantive relations to restrict those further (especially the United States); and, increasing constraint on Taiwan's participation in international non-governmental organizations.
- Accelerating the build-up of military capabilities that are relevant to Taiwan, and conducting military exercises in a blatantly intimidating way.
- Changing the business environment on the Mainland to create difficulties for Taiwan companies, so that they will lobby a Tsai administration to change course.[22]

However, I do not envision a Mainland use of force to actually attack Taiwan. The risks of such a policy are too high and the chances of success are not absolute. Additionally, the mere fact of a DPP victory does not mean that Beijing's hopes of achieving its political goals regarding Taiwan in the middle- and long-terms have disappeared. It coped with eight years of Chen Shui-bian, after which the KMT returned to power. Under the right circumstances, the KMT can return to power after four or eight or twelve years of DPP rule. If Beijing does decide to impose the costs outlined above, it could do so all at once or engage in "gradual escalation." The latter is more likely because it allows the Mainland to say that it gave Taiwan successive chances to come to its senses.

The third interpretation of the Mainland's warnings is that they are a total bluff, and that there is no intention to carry them out. If Tsai wins the election, life and cross-Strait relations will go on as before, and Taiwan would incur no costs for electing a government that Beijing has *said* it cannot abide.

But, the nature of decision-making under President Xi Jinping complicates matters. As with many other issues, on Taiwan Xi has cut himself off from the institutional mechanisms that in the past have conveyed expert advice upwards to decision-makers. It is true that while he served in Fujian and Zhejiang provinces, Xi had contact with Taiwan businessmen who had operations there, which granted him more exposure than his predecessors had. Yet arguably those businessmen were not a representative sample of Taiwan opinion. There have been rumors that Tsai has a private communications channel into the CCP leadership, which would be a more effective means of reassurance than public statements. Where exactly that channel goes and how it is used will determine its effectiveness.[23] All of these factors complicate any predictions about how Beijing—that is, Xi Jinping—will respond if Taiwan voters do pick Tsai Ing-wen as their president.

Which response Xi Jinping and his colleagues adopt depends in part on their answers to additional

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[22] Even if Beijing does nothing overt to harm the business community, because it does not wish to alienate its best allies in domestic Taiwan politics, the implementation of past cross-Strait agreements is likely to get ragged, because working-level bureaucrats will see that the political winds are blowing against Taiwan.

[23] Zhang Nianchi, "Xiwang Cai Ingwen Zhenyou Zhtong Beijing Guandao" ("Hoping Tsai Ing-wen Truly Has a Direct Channel to Beijing"), *Lianhebao* (*United Daily News*), September 8, 2015 (http://udn.com/news/story/7339/1172915). Note: an "authoritative and credible" channel is different from cases where individuals in Taiwan and on the Mainland put themselves forward as an intermediary between the two sides, but usually lack the requisite authority.

questions. Is time on China's side? Are its various instruments of power and leverage greater than Taiwan's? Does it have allies within the Taiwan political system that might pressure Tsai to eschew provocative action? Does Taiwan, even Tsai Ing-wen, understand the danger of economic marginalization so much that it will do what is necessary to maintain good ties with the Mainland? The answer to all of these questions is probably "yes," although there is no real way of knowing.

Other key questions are:

- How does Beijing evaluate Tsai Ing-wen's fundamental intentions? Does it place weight on what she has said and done in the past, including when she was the subordinate of previous presidents? Will it focus on what she says in the campaign, whatever the political reasons for her statements? Or, should it look at what she says and does once she becomes president? In terms of statements, her inaugural address is probably the most important, since it will state the fundamental framework of her administration.
- How can Beijing be sure that it can control the scope of any punishment it imposes on Taiwan and Taiwan's response? Even if it currently intends to only freeze cross-Strait relations, there could be pressures from within the PRC to impose even more costs, including in the diplomatic and military arenas? There is a chance that Tsai's supporters will angrily respond to even somewhat limited punishment and pressure Tsai to respond. Does that raise the risks of a negative spiral?
- Does Beijing assume that there will be basic stability in the structure of Taiwan politics? Does it assume that parties will continue to be the main actors, and that activist groups like the Sunflower Movement are a passing phase? Does it think that the 55-to-45 percent balance of sentiment favoring positive cross-Strait relations will bring the KMT back to power? Or, is there a shift in that balance of sentiment toward a more skeptical approach to China? Is it possible that after suffering a bad defeat, the KMT might split along Mainlander-Taiwanese lines, which would greatly complicate Beijing's policy?

Based on what little Tsai has said so far regarding cross-Strait policy, there is no indication that she will accept the 1992 consensus, as Ma Ying-jeou did in 2008. Her supporters and perhaps Tsai herself see it as a political trap that forecloses future options for Taiwan. Chinese officials have sometimes indicated that the precise wording in 1992 is not sacrosanct and that different wording might be possible. But they also stress that "one China" must be a part of any formulation. Again, Tsai and the DPP would see explicit affirmation of one China as unacceptable, both politically and substantively. But the key apparent reason that Beijing will be less tolerant of verbal circumlocutions than it has been with Ma, is it has little trust in her fundamental intentions.

I worry that Beijing will place far more stress on what Tsai has said and done during previous phases of her public career than on what she says in her inaugural address on May 20, 2016 (if she indeed becomes president), and more importantly, what she does from then on. If Mainland leaders focus mostly or exclusively on the past, then that raises the likelihood they will overreact. In addition, I am concerned that, whatever costs are imposed on Taiwan and however they are deployed, the Taiwan public will take offense and call for a response, thus leading to a vicious circle. Finally, I cannot rule out that the foundation of Taiwan politics is shifting under our feet because Taiwan's balance of sentiment is tilting in the DPP's direction. If it does, the working

premise of past PRC policy—that the KMT will be in power most of the time—will disappear.

Of my three scenarios, I believe the most likely is the second scenario, including more-than-modest punishment. Such an approach would be consistent with how Beijing handled the recent electoral reform push in Hong Kong, where it laid out a set of principles and then stuck to them thereafter. Its tactics did nothing to encourage compromise on the part of the democratic camp that wanted more reform than Beijing was willing to give, and the Mainland blamed the failure of reform entirely on its opponents.

Scenario three—that Beijing is bluffing—seems unlikely.

In scenario one, Beijing planning a measured response, it would need to impose enough punishment to show that it prefers a KMT government over a DPP one, because the latter refuses to accept the 1992 consensus, but not so much that it alienates its allies on the island or sets off a negative spiral. But once the Mainland lays down principles, it does take them seriously.

Interestingly, Tsai Ing-wen appears to believe that Beijing is bluffing. In July 2014, she gave an interview to Taiwan's leading business journal, *CommonWealth Magazine* (*Tianxia Zazhi*). The article appeared a few months before the local elections in November 2014, where the DPP was expected to do well. She stated that:

> China is now again worried about betting on the wrong horse in 2016, being forced to deal with a situation it cannot control and having to interfere heavily. Simply put, whoever has power, different parties will shift their direction toward those with power. The DPP's biggest challenge is to do well in this year's local elections. If we do well, even China will shift in the direction of the DPP. If they feel that the DPP has the best chance of winning in 2016, they will automatically create the conditions for that. In my experience, when China wants to do something, it is able to do it. It has a huge system to handle Taiwan issues.[24]

It is not inconceivable that both sides are bluffing: Xi has laid out requirements that he probably knows Tsai cannot accept and Tsai, for her part, knows that Beijing will not totally abandon its principles and treat a DPP exactly as it has the Ma administration. In this instance, after the inauguration the two sides would begin a process of mutual accommodation that leads to a "new" status quo but not a radical departure from the current one.

My preferred scenario is a variant of scenario one, in which Beijing takes a hard line during the campaign and then adopts a cautious stance thereafter. For her part, Tsai would make adjustments that take account of Beijing's bottom line. The key variable here is how Beijing evaluates Tsai Ing-wen's basic intentions. If it concludes—or has already concluded—that Tsai's basic goal is Taiwan independence, then it will be reluctant to accept at face value accommodative steps she might take. Put differently, Beijing should not infer her intentions from what she has said and done in the past, when she worked in the Lee Teng-hui and Chen Shui-bian administrations. It should not stress too much what she may say during the campaign either, because those

[24] Sara Wu, Jung-Shin Ho, Hsiao-Wen Wang, "Tsai Ing-wen: Election Win Will Shift China toward DPP," *CommonWealth Magazine*, No. 551, July 10, 2014 (http://english.cw.com.tw/article.do?action=show&id=14812).

statements are made to various domestic audiences for electoral effect. Those bits of data are not meaningless by any means, and they may ultimately be helpful in divining Tsai's goals. But they should be weighted appropriately.

A Chinese rush to judgment and action derived from a flawed assessment is only likely to create a negative spiral and make a difficult situation even worse. Instead, Beijing should base its assessment of intentions and its policy on what Tsai says and does once she assumes the presidency, and at least formally, begins to promote the interests of all the people of Taiwan. A wait-and-see approach that incorporates a willingness to engage in an incremental and iterative trust-building process holds out the promise of a positive spiral. There is no guarantee that this will happen, but it preserves the possibility of creating a virtuous circle and avoiding a vicious one.

As mentioned, it's rumored that Tsai Ing-wen has a secret communications channel into the Beijing leadership that might provide the means to engage in mutual reassurance. If an authoritative, credible, and effective high-level channel does in fact exist, it might be particularly useful in the four-month period between the election and the inauguration. Whether such a channel exists, the comment of Zhang Nianchi, a senior Shanghai specialist concerning Taiwan, is germane: "I certainly hope so."[25]

The United States approach to Taiwan elections

Beginning with the 1996 Taiwan presidential election, Washington has faced a dilemma. On the one hand, it is improper for Washington to favor one candidate over another in an election in a friendly democracy, both as a matter of principle and practicality as it will have to deal with the winner. On the other hand, the policies of the winner may affect U.S. interests. To remain silent about those interests denies information to voters that they might consider relevant to their choice.

U.S. practice concerning this dilemma has varied. In 1996, Washington had not yet worked out a rhetorical way of reconciling this dilemma, because it was too busy responding to Beijing's coercive diplomacy after Lee Teng-hui's visit to the United States in June 1995. But its actions were robust. In response to PLA exercises that sent missiles to waters off northern and southwestern Taiwan in March 1996, President Clinton sent two aircraft carrier battle groups into waters near the island. This action reassured Taiwan and clearly reminded Beijing of America's concern for Taiwan's security.

Prior to the 2000 election, while I was serving as chairman of the American Institute in Taiwan, I met with the three presidential candidates and relayed this message from the Clinton administration: the United States doesn't take sides in Taiwan's election; it will seek to work with whoever the voters elect; if the policies of the elected leader conform to U.S. interests, there will be no problem; if they don't conform, then Washington will seek to resolve the differences. I also made the same points publicly.

As noted above, Chen and the DPP changed tactics for the 2004 and 2008 elections, shifting from making moderate appeals to middle voters to mobilization of the party base. He made proposals that Beijing perceived to be steps toward independence and Washington concluded foreshadowed

[25] Zhang Nianchi, "Xiwang Cai Ingwen Zhenyou Zhitong Beijing Guandao"

danger. Consequently, the U.S. approach changed. In December 2003, President Bush effectively stated the U.S. view on the election by asserting that Chen's statements and actions "indicate that he may be willing to make decisions unilaterally, to change the status quo, which we oppose."[26] Chen won re-election anyway. For 2008, the United States came down even more harshly against Chen, with a public statement that accused him of unnecessarily putting the island's security at risk.[27]

Ma Ying-jeou was the beneficiary of this U.S. criticism of the DPP. He had campaigned on the idea that rather than provoking China, Taiwan should be engaging China economically without hurting its political and security interests. He won by a big margin in 2008 and won re-election in 2012. For the United States, Ma's policies were a boon because Taiwan was taking responsibility for maintaining stability, thus removing a serious point of friction with Beijing. The only U.S. comment made during the 2012 campaign, when Tsai Ing-wen challenged Ma, was an expression of "distinct doubts" that cross-Strait stability would continue under a DPP government.[28]

The political situation for 2016 is also very different. Tsai Ing-wen is strong and the KMT is weak, so the U.S. approach has adapted. On May 21, 2015, Susan Thornton, the deputy assistant secretary of state responsible for China, Taiwan, Hong Kong, and Mongolia, spoke at Brookings on U.S.-Taiwan relations, and U.S. policy toward the island and its government. Much of her address reviewed the breadth and depth of the bilateral relationship in the areas of business, education, global issues, and security. But she also presented the U.S. stance on the relationship between the Taiwan and the Mainland, drawing an implicit linkage between Taiwan's cross-Strait policy and U.S.-Taiwan relations: "An important ingredient of that close cooperation [between the United States and Taiwan] in recent years has been the stable management of cross-Strait ties."[29]

Thornton affirmed U.S. neutrality on the election, but also stressed that:

- The United States welcomed the two sides' efforts to reduce tensions and improve their relations;
- It encouraged continuation of dialogue "on the basis of dignity and respect;"
- Both sides have a responsibility to summon the flexibility and restraint needed to preserve productive cross-Strait relations, and neither should make "unilateral attempts to change the status quo;"
- Both sides should appreciate the benefits that stable cross-Strait ties have produced that "work to establish a basis for continued peace and stability;"
- Close communication and a "no-surprises, low-key approach" will allow all parties to demonstrate restraint and flexibility.[30]

The unstated corollary of Thornton's remarks was that each side should take the interests of the other into account and neither should impose its

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[26] Brian Knowlton, "Bush warns Taiwan to keep status quo: China welcomes U.S. stance," *New York Times*, December 10, 2003 (http://www.nytimes.com/2003/12/10/news/10iht-policy_ed3_.html)
[27] Thomas J. Christensen, "A strong and moderate Taiwan," speech to U.S.-Taiwan Business Council Defense Industry Conference, Annapolis, MD, September 11, 2007 (http://www.ait.org.tw/en/officialtext-ot0715.html)
[28] Anna Fifield, Robin Kwong, Kathrin Hille, "US concerned about Taiwan candidate," *The Financial Times*, September 15, 2011 (http://www.ft.com/intl/cms/s/0/f926fd14-df93-11e0-845a-00144feabdc0.html#axzz3rrWYSWZi)
[29] Thornton, "Taiwan: A Vital Partner in East Asia."
[30] Ibid.

definition of what would be required for continued stability.

Logically, the outcome that would be best for the United States is a victory by Eric Chu, because his cross-Strait policies would be consistent with Ma Ying-jeou's, which have reduced the salience of the Taiwan issue in a U.S.-China relationship littered with other problems. But even as Washington officials might hope for the best, they watch the Taiwan polls as closely as anyone. They know that if Tsai is elected, the United States will have to work with her in order to protect its interests. Hence, they extended Tsai a proper welcome when she visited the United States in June 2015, and took note of the reassurance she offered about her future policies. At the same time, they know that Beijing has a very different view of the reliability of Tsai's promises and that it may not respond with the flexibility and restraint that they have encouraged.

If Xi Jinping and his colleagues are bluffing (scenario three) and are willing to accommodate to Tsai because of her victory, then cross-Strait relations will continue much as it has in the last few years. That would be acceptable for the United States, as would my variant of scenario one (freezing cross-Strait interaction, limited punishment, plus a wait-and-see attitude). But any version of scenario one comes with the risk that accident or misperception might eventually lead to deterioration in Taiwan-Mainland ties. Worst for the United States is full scenario two: a freezing of cross-Strait relations accompanied by comprehensive punishment.

If scenario two occurs, the United States will probably have to return to dual deterrence. It cannot withdraw from the cross-Strait contest altogether because U.S. allies and partners would likely read withdrawal as a sign that the U.S. security commitments to them are no longer dependable. It cannot bless Tsai Ing-wen's policies without qualification because that would create the possibility of "blank check" dynamics that complicated U.S.-Taiwan relations during the last six years of the Chen Shui-bian administration. Urging each side to exercise restraint and flexibility and warning against a unilateral change in the status quo by either side will continue to make sense.

Under scenario two, Washington will have to repeatedly judge which side is more responsible for damaging the positive state of cross-Strait relations that it has valued since 2008. Both Beijing and Taipei will try to blame the other for any increased tensions and each would appeal to different principles to make its case. Beijing will cite the U.S.'s declared non-support for Taiwan independence and Taiwan will assert that Tsai's policies reflect the will of the people as expressed through democratic elections. Each will have its own narrative about how the other is at fault and will seek to find points of leverage with Washington.

Part of dual deterrence is being willing to provide each side with appropriate reassurances. Washington must make it clear to Taipei through word and deed that it will not abandon it because it places a higher priority on its relations with China or is unwilling to face Beijing if it unilaterally attempts to change the status quo. And, Washington should continue to remind Beijing that it does not support Taiwan independence. At the same time, the United States must warn Taipei that it should exercise restraint in taking initiatives that objectively bear on China's interests. Simultaneously, it should continue to warn Beijing of its "abiding interest" in peace and stability, and that China has an obligation along with Taiwan to help preserve it. The

degree of mutual dependence among all three parties is too great to risk an unnecessary conflict.

Dual deterrence, which may well be Washington's best option for protecting its interest in peace and stability going forward, is never easy. It was hard to implement during the 1995-2008 period. Since then, U.S.-China relations have become more competitive and less cooperative. China's national power has grown relative to that of both the United States and Taiwan. Some of the latter's weaknesses are self-induced, the result of a dysfunctional system that only its leaders can address. The credibility of Washington's warnings and reassurances in this new context will be as significant as the words that officials utter to their counterparts on each side of the Taiwan Strait. Despite the objective and subjective changes in the balance of power, it will be Taiwan's voters who will pick their leaders, as they should. Beijing will make its own judgment about the implications of the results for all of its interests, and one can only hope that its assessment and the actions that follow will *not* stem from unfounded analysis and an exaggerated feeling of vulnerability. Within the complex interplay of Taiwan's democracy and China's fears and ambitions, the United States will have to make its way.

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