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Title	Cross-Strait Relations: No Return to Crisis Mode
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Citation	Hoo, T. B., & Char, J. (2016). Cross-Strait Relations: No Return to Crisis Mode. (RSIS Commentaries, No. 019). RSIS Commentaries. Singapore: Nanyang Technological University.
Date	2016-01-27
URL	<a href="http://hdl.handle.net/10220/39885">http://hdl.handle.net/10220/39885</a>
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## **Cross-Strait Relations: No Return to Crisis Mode**

*By Hoo Tiang Boon and James Char*

### **Synopsis**

*The common belief that cross-strait relations is headed for instability following the DPP's election victory is overstated. Although there could be more friction with Beijing, the Taiwan Strait is unlikely to witness a return to previous crisis levels.*

### **Commentary**

THE ELECTION of Tsai Ing-wen of the independence-leaning Democratic Progressive Party (DPP) as Taiwan's new president has aroused a hostile reception from some Mainland Chinese media and led to concerns that cross-strait relations will become fraught once again. Some analysts had also feared that a cross-strait crisis could ensue if Tsai were to be elected.

A closer look at events prior to Tsai and the DDP's landslide victory over the Kuomintang (KMT) in the presidential and legislative elections, however, will reveal to the contrary: the widespread belief that this could lead to a period of instability seems to have been overstated. While the potential for miscalculation in the Taiwan Strait cannot be discounted and there could be more frictions between a Tsai-led Taipei and Beijing, cross-strait relations is unlikely to return to the acrimonious period of the Chen Shui-bian administration.

### **A More Politically Sophisticated DPP**

For a start, today's DPP is a considerably different political animal from the party under former president Chen. Under Tsai, the party's cross-strait policy has evolved, becoming more centrist and ambiguous in its slant. Tsai's DPP is of course still far

less welcoming to China than the KMT, but it has moved away from the brand of pro-independence adventurism that had imperiled cross-strait ties and cost Chen dearly.

There is in fact greater alignment between the DPP and KMT's basic cross-strait positions than commonly perceived. Tsai's declaration that she would preserve the "status quo of peace and stability" is in principle not fundamentally different from Ma Ying-jeou's "Three Nos" policy (no unification, no independence, no use of force). In 2014, the DPP published its mainland policy review which called for the party to "proactively and confidently participate [in cross-strait dialogue]" and pursue cross-strait economic interactions "on the basis of the existing foundation" - exhortations not vastly out of sync with the KMT's ideas.

The main difference between the DPP and KMT's positions is the degree of the tilt. The KMT's notion of the status quo leans Taiwan closer to China (in particular, through greater economic integration); the DPP's version is more about maintaining Taipei's distance from Beijing.

Some observers point out that Tsai has yet to explicitly endorse the 1992 Consensus which Beijing has stated is one of the preconditions for cross-strait dialogue. While that is true, the new Taiwanese leader has also not outrightly rejected the 1992 Consensus; she appears to understand that any refutation of the one-China principle will not be tolerated by Beijing.

### **Breaking Out Of the 'KMT-CCP Framework'**

Tellingly, at a recent speech in Washington, Tsai spoke of the importance of securing the "accumulated outcomes of more than twenty years of negotiations and exchanges" [which apparently includes the 1992 Consensus], in which "these accumulated outcomes will serve as the firm basis of [her] efforts to further the peaceful and stable development of cross-strait relations".

Admittedly, these could be clever rhetoric meant to reassure international audiences. There is considerable political incentive for the DPP to pursue a more conciliatory position towards China since it would be in its interest to demonstrate to the Taiwanese people that, like the KMT, it too can pursue dialogue with Beijing without compromising the island's de facto independence.

Indeed, Tsai has spoken of changing the perception that the KMT is the only party capable of managing relations with Beijing, and talked about breaking out from the "KMT-CCP framework" in China-Taiwan relations. Significantly, she has not ruled out the possibility of meeting Xi Jinping once she becomes Taiwan's president.

### **China: Distrust and Pragmatism towards the DPP**

For China, it remains deeply suspicious of the DPP and Tsai's longer-term intentions. Mainland observers point out that the DPP has yet to rescind the party's 2007 Normal Nation Resolution or the 1999 Resolution on Taiwan's future, which are premised on the notion of Taiwan as a sovereign entity separate from China. They have also not forgotten Tsai's role in the crafting of the controversial "Two States

Theory”, or her earlier time as the head of Taiwan’s Mainland Affairs Council from 2000-2004 - a period when cross-strait ties were particularly fraught.

But despite these misgivings, the reality is that Beijing has limited policy options vis-à-vis Taipei. Closer economic ties have not translated into Taiwanese political goodwill towards China, while the Chinese political solution of “one country, two systems” has become even more unappealing in democratic Taiwan in the wake of political unrest in Hong Kong.

Only if Taiwan declares formal independence would Xi turn to a military solution. Even then it is a battle he cannot be sure of winning, while a cross-strait war would be sure to jeopardise the gains of three decades of reform and opening-up in China. Moreover, Xi’s overwhelming priority in the next two years before the 19th Party Congress will be to stabilize the Chinese economy and he would not want to be distracted by renewed trouble in the Taiwan Strait, alongside China’s continuing problems in the South China Sea.

This limited policy space means that Beijing can ill-afford not to consider a more open attitude towards the DPP, especially given the latter will dominate Taiwanese politics in the foreseeable future. Interestingly, in the past few years, there have been signs that Beijing is starting to adjust its traditional attitude towards the DPP, quietly allowing some limited or indirect CCP-DPP interactions. Notable DPP figures, such as former premier Frank Hsieh and Tainan city mayor William Lai, have made low-key visits to China. So as long as a Taiwanese leader steers clear of overtly pushing for Taiwanese independence, there will be some room for negotiation with Beijing.

### **Whither Cross-Strait Relations?**

Thus far, Tsai appears to be likely to persist with existing institutional mechanisms to pursue cross-strait relations with China, although the frequency or pace of exchanges may well decline. While the Tsai government will resist moving Taipei closer to Beijing, it will not repeat the previous DPP-led government’s mistake of pursuing Taiwanese independence; it would have too much to lose.

Analogously thus, Tsai will resemble a cold Ma Ying-jeou in overall tenor of the orientation towards China. This situation will not fully satisfy Beijing, but it at least satisfies the bottom-line in Chinese policy to avert Taiwan’s formal independence. We are therefore likely to see calm but colder waters in the Taiwan Strait.

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