



CONFERENCE ON PROSPECTS FOR RELATIONS ACROSS THE TAIWAN STRAIT

**A TRILATERAL U.S.-PRC-TAIWAN CONFERENCE
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THE NATIONAL COMMITTEE ON AMERICAN FOREIGN POLICY (NCAFP)**

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The National Committee on American Foreign Policy (NCAFP) hosted a trilateral U.S.-PRC-Taiwan conference on the current state of cross- Taiwan Strait relations on April 14-15, 2011 with an influential group of analysts and former government officials from the three sides. For the participant list and additional articles by conference participants, see the Appendix A, B and C.

INTRODUCTION

Since the election of Taiwan's President Ma Ying-jeou in 2008, there has been remarkable progress in reducing cross-strait tensions and in promoting economic and cultural ties between China and Taiwan. All three sides (China, Taiwan and the United States) describe the current cross-strait situation as the most stable in decades.

But this progress has come as a result of tackling the easy economic and cultural issues first while putting the much more difficult political and security issues aside. These issues are complex, especially because there are not only fundamental differences between China and Taiwan over sovereignty but there are also fundamental differences on these issues between the two major political parties in Taiwan, the ruling Kuomintang (KMT) and the opposition Democratic Progressive Party (DPP). Moreover, there are seeming differences of view within the PRC on how fast to rush into political talks with Taiwan.

The value of Track II conferences on these sensitive issues is that all three sides can and do speak with considerable candor about their respective perspectives, and that respective governments are presumably kept informed.

The following report is divided into several sections: The Case for Optimism; The Case for Caution; and a personal conclusion on What is to be Done?

THE CASE FOR OPTIMISM

Mainland participants were satisfied, patient and realistic about the current and likely future cross-strait relationship, at least for the near term. They expressed satisfaction over the substantial economic and cultural interaction between Beijing and Taipei since the election of President Ma Ying-jeou in 2008, culminating in the recent signing of the Economic Cooperation Framework Agreement (ECFA). They also pointedly contrasted the past three years of peace and stability with the Ma government with the previous unstable 12 year period during the eras of Lee Teng-hui and Chen Hsui-bian in Taipei. According to Mainland participants, the reason for this new stability is that although Lee and Chen were moving towards independence, Ma has accepted the “one China” formula in the form of the “1992 Consensus.”

Participants from the Mainland also displayed a strong sense of patience. Some said it might take 20-30 years of economic and cultural interaction – what PRC President Hu Jintao calls “peace and development” – before the Taiwan people are ready for reunification. Other Mainlanders said that the agenda for the next few years is “to implement ECFA and other agreements” and to discuss with Taiwan other economic and cultural issues such as an investment agreement and increasing tourism. In sum, the Mainlanders generally displayed an attitude that time is on the Chinese side and that over time, with increasing economic integration and growing political attraction of the Mainland, future generations of Taiwanese will accept reunification in some form.

Mainlanders also displayed a considerable sense of realism about the political situation in Taiwan where the great majority of the people favor a prolonged maintenance of the current status quo, identify themselves as “Taiwanese” rather than “Chinese,” and are wary about moving closer to an authoritarian political system on the Mainland. Mainland participants did not expect Ma to rush into political or security talks before the 2012 Presidential election – a move that the opposition Democratic Progressive Party (DPP) would surely exploit. And although they clearly hoped for a second term for Ma, they did not rule out the possibility of a DPP victory in that election. But they said that even if the DPP returns to power, it will be different and more pragmatic than the one that

ruled Taiwan from 2000-08. And the Mainlanders said that the PRC would be willing to work with a DPP-led government on Taiwan.

Taiwanese participants were also, on the whole, cautiously optimistic about the cross-strait situation. One Taiwanese participant with close ties to the KMT government said that the Mainland policy of Taiwan was: to resurrect the “1992 Consensus,” which he defined as “one China with respective interpretations,” i.e. the Mainland defines “one China” as the People’s Republic of China (PRC) and Taiwan defines “one China” as the Republic of China (ROC.) He went on to say that this policy meant “mutual non-denial;” Ma’s 3 No’s, i.e. no unification, no independence, and no use of force; “a safe, stable, peaceful and status quo mainland policy;” and the continuation of deterrence and arms sales.

Such a policy, the Taiwanese participant continued would mean engagement, so as to replace conflict and confrontation with cooperation; deepen economic cultural and social exchanges across the Strait on the basis of reciprocity and mutual benefit; put economics first and politics later, and institutionalize the relations across the Taiwan Strait in the form of the 15 signed agreements. It would also mean practicing flexible diplomacy and using Taiwan’s “soft power” to promote the rise of a democratic and “cultural China.”

DPP participants from Taipei said that there is now a consensus within the Party on the need to pursue a more pragmatic policy towards the Mainland which emphasizes economics rather than independence. Although they said that de jure independence for Taiwan cannot be completely taken off the table, they are realistic enough to know that it is no longer in the center of the table. (Note: Since this conference the DPP has chosen Tsai Ing-wen to run against President Ma next year.)

DPP participants also welcomed what they called a more realistic Beijing policy towards the DPP. Beijing is now using “soft power” and a “going South” approach, as opposed to a past policy of just threatening Taiwan over the prospect of a DPP president coming to power. The DPP welcomed Beijing’s dispatch of delegations to southern areas of Taiwan dominated by the DPP and the establishment of “sister city” relationships even

though it was wary of Beijing's motives. The DPP participants said that there has been a big increase in "informal" contacts between the DPP and the Mainland in the form of DPP mayoral and local officials who visit the Mainland.

DPP participants also stressed that the DPP had learned some important lessons from its past experience as the ruling party in Taiwan and next time around it would strive for predictability, consistency and stability.

DPP participants also recognized that if the DPP returns to power, it will not want to repeat the difficulties in U.S.-China and China-Taiwan relations caused by former President Chen's "surprises" and "inadvertent escalation of tensions." The DPP and the Mainland "have to reach out to each other" and to gain "mutual understanding." Moreover, "we have a common interest in stability and predictability."

Although some Mainland participants expressed scepticism that the United States would ever accept unification of China and Taiwan, several American participants said that the United States would accept any peaceful, uncoerced settlement of the cross-strait political impasse that was acceptable to the people in Taiwan. Some Americans elaborated that reunification would not hurt U.S. credibility so long as it was not coerced or resulted in new PRC military deployments.

U.S.-Taiwan relations have generally been smooth under Ma. However, plans to strengthen ties further through an eased visa policy, trade moves, and possible cabinet visits have been clouded by recent Taiwan moves against American beef exports.

Several Americans and Taiwanese also said that so long as the Mainland remained under a highly authoritarian government, it was unlikely that the majority of the Taiwanese people would favor reunification. In the meantime, it is in the interest of all three sides to accept the maintenance of the status quo.

THE CASE FOR CAUTION

Although the case for optimism is strong, there are a number of reasons to be cautious about future prospects for cross-strait relations.

First, progress on cross-strait relations over the past three years has been almost exclusively on economic and cultural issues. The more difficult political and security issues remain. And there can be no lasting stability in cross-strait relations without progress on these issues.

It is unlikely, however, that there can be much progress on these political and security issues in the foreseeable future. Taiwan's political system and public is deeply divided on these issues between the so-called Pan Blue and Pan-Green forces. It will take many years to forge a consensus on how to proceed. And even then it may not be possible.

A second reason for caution is that Beijing's leaders may be under increasing pressure either in the run up to the 2012 succession in Beijing or after the 2012 election in Taiwan to put increasing pressure on Taiwan to move to political dialogue. But Ma's ability to move on these issues is quite limited, and a DPP President would be unlikely to move on these issues. Thus a lot depends on Beijing's willingness to maintain patience. The signals given by Mainland participants on the duration of patience were mixed. On the one hand, they said that the Mainland believes that only with such talks and agreements can the two sides "really normalize and stabilize their relationship for the long term." On the other hand, several Mainlanders said that they understand that these issues are very controversial within Taiwan and that the Ma government is not ready yet to start political talks. The Mainland, said one PRC participant, "can live with this situation" until the Taiwan side is ready for those talks. But another Mainlander pointed to two new features of the situation which might go against continued PRC patience. First, there is growing Chinese nationalism; second, the Chinese military capability is growing and a military solution to the cross-Strait issue "is not totally excluded."

Third, it is not yet clear how Beijing will deal with a DPP government that refuses to accept the so-called “1992 Consensus” on one China.

Fourth, the two sides remain at odds over the issue of “international space” for Taiwan. Taiwan would like to see the Mainland demonstrate much greater flexibility about Taiwan’s participation in international organizations. The Mainlanders responded that “international space” for Taiwan is a political issue and would have to await political talks. Until then, these issues would be decided on a “case by case” basis. The U.S. and Taiwan sides urged greater PRC flexibility on international space. Taiwan can make real contributions to many organizations; the dignity and expertise of the Taiwan people would be respected and they would benefit. This could be achieved with Taiwan participation that would not raise issues of sovereignty.

Finally, the issue of U.S. arms sales to Taiwan remains. At our meeting, Chinese participants explained why the Mainland regards such sales as unacceptable, including what they view as violation of the 1982 U.S.-PRC Communiqué. American and Taiwanese participants explained why arms sales must continue in order to provide deterrence and defense and also not to undercut Ma politically. One Mainland participant said that so long as U.S. arms sales to Taiwan continue, China will be unwilling to have “comprehensive relations” with the United States (paralleling an American’s earlier assertion that China’s political system ruled out close US-PRC relations).

One American participant said that the PRC military build-up is a “choice” that inevitably leads to three compulsions: Taiwan must ask the U.S. for arms; the U.S. must sell them; the PRC must strongly object.

All Americans made clear that arms sales of some sort would continue and urged the PRC not to inflate this issue while maintaining its principle.

Meanwhile the prospects for military CBMs between Taiwan and the mainland are not bright, partly because of Taipei’s nervousness on this issue.

WHAT IS TO BE DONE?

This concluding section represents the conclusions of the writer and is not meant to be a set of conclusions reached by the participants.

First and foremost, the two sides should continue to deepen economic, cultural and social exchanges and to maintain the formula of economics first and politics later. Beijing must continue to display patience about the cross-strait issue and continue to concentrate on economic and cultural issues while recognizing that the time is not yet ripe for discussion of political issues.

Second, Beijing should signal that it is prepared to recognize the legitimacy of the ROC government in Taipei as part of its “one China” principle. Beijing could best do that by accepting Taipei’s proposition of “one China with respective interpretations.” Beijing has never challenged this formula but it has only rarely agreed to it. In the wake of Ma’s victory in 2008, Hu Jintao conveyed to President Bush through hotline talks that “it is China’s consistent stand that the Chinese Mainland and Taiwan should restore consultation and talks on the basis of the 1992 consensus, according to which both sides recognize that there is only one China, but agree to differ on its definition.”

If Beijing were to accept this Taipei formula, the road to political talks might be opened.

Third, Beijing should drop its insistence on the end of all U.S. arms sales to Taipei or at least maintain this principle in a low key fashion. Washington in turn should be prudent about its arms sales policy, maintaining them but avoiding overly provocative steps.

Fourth, Taiwan – whichever party is in charge – needs to pursue moderate and predictable policies on cross-Strait relations.

Fifth, Beijing should pursue genuine political reform which is in its own interest and would also draw Taiwan closer.

Sixth, the U.S. must continually make clear that it supports cross-Strait reconciliation and would accept any eventual outcome so long as it is peacefully produced and enjoys the support of the Taiwan people.

Finally, it is essential to maintain positive relationships on all three sides of the U.S.-China-Taiwan triangle. This means that a good U.S.-China relationship, a good U.S.-Taiwan relationship, and a good cross-Strait relationship are all requirements for continued stability.