



**S. RAJARATNAM SCHOOL
OF INTERNATIONAL STUDIES**
A Graduate School of Nanyang Technological University

RSIS COMMENTARIES

RSIS Commentaries are intended to provide timely and, where appropriate, policy relevant background and analysis of contemporary developments. The views of the authors are their own and do not represent the official position of the S.Rajaratnam School of International Studies, NTU. These commentaries may be reproduced electronically or in print with prior permission from RSIS. Due recognition must be given to the author or authors and RSIS. Please email: RSISPublication@ntu.edu.sg or call 6790 6982 to speak to the Editor RSIS Commentaries, Yang Razali Kassim.

Taiwan Strait Relations: How Far Can It Go?

Li Mingjiang

31 March 2008

In light of the landslide victory of the KMT in Taiwan's recent presidential election, it is likely that Beijing and Taipei will soon proceed to pursue cooperation on some economic and social issues. Breakthroughs in political and security matters, however, may be hampered by Taiwan's domestic politics and the uncertainties in China's response.

THE LANDSLIDE victory of the Chinese Nationalist Party (KMT) candidate Ma Ying-jeou in the recent presidential election in Taiwan prompted much optimism about the prospects of relations between mainland China and Taiwan. Given the conciliatory postures of both Beijing and the KMT in the past three years or so, this prevailing sanguine prediction is certainly not without evidence. It is very likely that Beijing and Taipei may move swiftly after Ma's inauguration on May 50 to restart negotiations on issues of functional cooperation: regular charter flights, mainland tourists to Taiwan, two-way capital flow, social and educational exchanges, and perhaps the immigration of two Chinese pandas to Taiwan.

A more challenging question for the longer term, however, is how far can the relationship go? Will the two sides be able to allay their fundamental differences to achieve breakthroughs in areas affecting political sensitivity and security? The domestic political situation in Taiwan and the uncertain Chinese responses perhaps do not provide us with a resoundingly positive answer.

Ma's Domestic Constraints

While the election victory provides Ma some mandate to take the lead in shaping future relations across the Taiwan Strait, we also have to keep in mind the various domestic political constraints that may force Ma to be cautious in engaging mainland China.

Even though Ma won over 58 percent of the vote, the pro-independence green camp was quick to point out that more than 5 million voters favoured his opponent, Frank Hsieh Chang-ting of the Democratic Progressive Party (DPP). Also, about 24 percent of the total eligible voters did not turn out to vote. If we add these two figures, over 65 percent of the electorate in Taiwan did not explicitly approve Ma's campaign programme.

The election was largely a vote of no-confidence of the DPP administration led by Chen Shui-bian over the past eight years. However, the DPP has been able to secure its political base. The 41 percent of votes Hsieh received in this presidential election was consistent to the DPP's performance in the two previous major elections: the election for county and municipality chiefs in 2005 and the 2007 legislative election. Taiwan is still a pretty polarized society split along the lines of ethnic cleavage and political identity.

During the campaign, the DPP's repeated attacks against and distortion of Ma's "one China market" and the DPP's playing the Tibet card further consolidated the negative image of mainland China in Taiwan, particularly among those DPP supporters. Chen Shui-bian's China bashing over the years has, to a large extent, succeeded in creating a "China threat" image among a large segment of the Taiwanese population. As a result, the supporters of the green camp will continue to closely watch and be capricious of Ma's handling of Taiwan's relations with the mainland.

With the KMT taking full control of both the legislative and administrative bodies, many observers have predicted a stronger civil society in Taiwanese politics. Many of those social groups will also be critical of Ma's moves with regard to relations with the mainland.

A crucial issue is how the DPP may evolve and reform in the aftermath of its political defeat. Ma will find more political manoeuvring space if the DPP eventually opts to move towards the centre. If the DPP keeps its current political platform, Ma, having been perceived as a "mainlander", will have a hard time to make any compromise or even to show any sign of weakness in his engagement with the mainland.

The challenge will also come from the blue camp itself. The KMT is still very divided. The party is still under strong influence of the China-centric conservatives. There are also the more Taiwan-centric reformers. Ma has been trying to serve as a bridge between these two forces but frequently ends up making both unhappy.

The Uncertainty of China's Responses

Whether or not Ma will succeed in his mainland policy equally depends on how Beijing responds and how the two sides interact in the short term. Now that the DPP is pushed to the political sideline, the ball is in China's court. Beijing will have to take the initiative since there is no Chen Shui-bian to blame and no need to put pressure on the United States.

In the months ahead, it will be important to see how Beijing interprets the reality that the KMT, especially Ma's own position regarding Taiwan's identity, has moved significantly to the centre. Also, it is important to see how Beijing views Ma's campaign rhetoric on the Olympics and Tibet and whether Ma continues such rhetoric after he takes office.

Most importantly, it will be crucial whether China changes its strategic priority regarding Taiwan from exclusively focusing on countering independence to some inclination of promoting unification. In the past few years, Beijing's dual strategy of forceful deterrence and charm offensive aimed at preventing Taiwan from moving further towards de jure independence. Now that the imminent danger of Taiwan independence is gone, will China change its priority towards pushing for political conditions conducive for eventual unification? If so, it will be in direct contradiction to one of Ma's three-no policies: no unification, no independence, and no war. Any Chinese intention to use the economic bait to push for closer political ties is likely to be detected by the always-on-alert green camp in Taiwan, thus constantly putting Ma on the defensive.

Ma has said that he would pursue a comprehensive agreement to regulate economic ties with mainland

China and military confidence-building measures with the PLA to avoid misinterpretations. Both sides have shown much enthusiasm for a peace accord to end the hostilities across the Taiwan Strait. If China changes its strategic priority, will Beijing wholeheartedly give all the credit to Ma and expect little from Ma politically?

There is also the issue of Taiwan's international space. It will be quite difficult for Beijing to relax its "one China" principle on issues pertaining to Taiwan's international participation, which is constantly a source of frustration among the vast majority of people in Taiwan towards the mainland. It is unclear how Beijing will respond if Ma uses the "1992 consensus"—one China, separate interpretations— to push for more international space for Taiwan. This is likely to be a challenging issue for cross-Strait relations since Ma has shown his intentions to further improve relations with the United States, Japan, and Southeast Asian nations soon after his inauguration.

Don't expect plainsailing start

Voters in Taiwan expect Ma to revitalize the Taiwanese economy. Given the possible economic downturn in China and in the US, it will be a challenge for Ma to deliver the economic benefits he promised in the campaign. Domestic politics in Taiwan and the uncertainties in China's responses are likely to serve as the major constraints for a smooth development of cross-Strait relations, especially in areas of political sensitivity and security, in the initial years of Ma's presidency.

Li Mingjiang is an Assistant Professor at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University, Singapore. He was a diplomatic correspondent for Xinhua News Agency before he obtained his PhD at Boston University.