

Seizing the Opportunity for Change in the Taiwan Strait

As Taiwan heads into dual national elections—a legislative election scheduled for January 12, 2008, and a presidential election scheduled for March 22, 2008—tensions across the Taiwan Strait seem to be rising. Among other developments, Taiwan applied to join the United Nations under the name “Taiwan,” eliciting condemnation from Beijing and Washington for trying to change Taiwan’s international status. Thomas J. Christensen, U.S. deputy assistant secretary of state for East Asian and Pacific affairs, even gave a speech to reprimand Taiwan, eliciting a major reaction in Taipei,¹ while officials in Washington debated whether to make good on prior commitments to sell certain arms to Taiwan. News leaked about Taiwan’s development of missiles that could strike Shanghai. The two political parties in Taiwan debated over the form of a referendum on the status Taiwan should seek in the UN in the future, and the secretary-general of the ruling Democratic Progressive Party (DPP) resigned in a battle over the party’s commitment to the ultimate goal of Taiwan independence.

Despite these alarms, deeper trends point in the opposite direction. Indeed, the most important result of the elections is already all but predetermined: Taiwan’s next president will be a relative moderate on cross-strait issues. The island’s highly competitive, often tactically Byzantine internal politics have for years wagged the dog of great-power politics in the region. The election next March of either of the two major-party candidates, Frank Hsieh (Hsieh Ch’ang-t’ing) of the DPP or Ma Ying-jeou of the Kuomintang (KMT), will of-

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fer the potential for a shift in the tone and trajectory of cross-strait relations and with it the opportunity to reduce the risk that the United States could be drawn into an armed conflict with China.²

Beijing and Washington must not waste the opportunity to put the triangular Taiwan Strait relationship on a path of declining tension. To act wisely, they need to understand what has produced the change in Taiwan's mood and what to do to assure that the still-fragile shift is not reversed.

The Taiwan Issue

The issue of Taiwan's status has long been one of the most intractable on the international agenda. China claims sovereignty over the island. The government of Taiwan says that it is a sovereign state formally named the Republic of China (ROC), whose future relations with China can be resolved only through negotiations between equals. The United States asserts a national interest in peaceful resolution of the issue between the two sides.

Each of the three sides exerts political pressure and upgrades military preparations to deter the others from unilaterally changing the status quo. The United States is committed by the 1979 Taiwan Relations Act to view the use of force against Taiwan as a matter of "grave concern." Taiwan is arming and training to defend itself against mainland attack and has reportedly developed missiles and other options to deter the mainland. In 2005 the People's Republic of China's (PRC) legislature passed the Anti-Secession Law, which threatens the use of "non-peaceful means" in the event that Taiwan secedes from China. To make this threat credible even in the face of potential U.S. intervention, Beijing has steadily upgraded its missile, submarine, electronic, and amphibious attack capabilities.

Yet, each side also sends signs of conciliation. President Chen Shui-bian of Taiwan has promised not to declare independence, change the country's name, or take certain other measures as long as China does not intend to use force against Taiwan. The PRC has conducted talks with leaders of Taiwan's opposition parties, signed agreements with designated representatives of the Taiwan authorities on charter passenger and cargo flights between the two territories, and adjusted its posture away from demanding unification toward merely opposing independence. Washington has pressured both sides to cool their rhetoric and find ways to talk.

As a result, it has often been difficult to tell whether the situation in the Taiwan Strait is growing more or less dangerous. To differing degrees, the three sides often intentionally obfuscate the nature of the issues. Take the concept of the "status quo." Everyone is against changing it unilaterally, but what is it? Is the status quo that Taiwan, a geographical place, is independent? Or that

the Republic of China, the constitutional name of a country, is independent? That Taiwan is a part of China? Or that it is not?

Beijing's position is fairly clear as far as it goes: it claims sovereignty over Taiwan. But what does that mean? It makes tactical sense that Beijing leaves the details to be clarified in eventual negotiations with Taipei, but the confusion goes deeper. Beijing's various actors have not forged an internal consensus on the scope of the arrangements that they could accept under the rubric of sovereignty. Although the late supreme leader Deng Xiaoping had sufficient authority to impose the "one country, two systems" formula in 1983, which had its own ambiguities, that approach has been tacitly abandoned because it fails to appeal to the Taiwan side. Post-Deng, different views have been expressed inside the ruling party and even among the public about how much leeway Beijing should give Taipei on sovereignty in order to accommodate Taiwan's sense of identity and security concerns.

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The U.S. government is a bedlam of voices on cross-strait policy. U.S. Taiwan policy operates within the boundaries of three communiqués and one act: the Shanghai communiqués of 1972 and 1982, the normalization communiqué of 1979, and the Taiwan Relations Act. It is normally constrained by a set of verbal mantras such as "peaceful resolution [of the Taiwan issue]," "do not support [Taiwan independence]," "oppose [unilateral change of the status quo]," and "three no's [to independence and related acts]."

This framework, however, leaves room for different branches of government, different agencies within an administration, and different administrations over time to tilt from one side to the other between Taipei and Beijing through a combination of intent and inattention, in different ways on different issues, sometimes at the same time. Policymakers in Taipei and Beijing complain that they cannot figure out what U.S. policy is, while they take advantage of its ambiguities to claim that it has changed in their favor. For example, in conversations with EU officials, Beijing has exploited slips of the tongue by U.S. officials stating that Washington "opposes Taiwanese independence" to claim that U.S. policy has shifted in Beijing's direction when Washington policymakers claim that it has not.

Taiwan's policy is the most difficult of all to decipher. Compared with other democratic systems, Taiwanese politics are characterized by relatively more policy incoherence inside each of the two main political parties, combined with more intensity in competition between the two camps. The two camps seem to be far apart, yet observers sometimes find it difficult to say what the

differences between them are. These features are generated by the dynamics of political competition in Taiwan's current ensemble of institutions. The confusion masks a broad consensus among Taiwan voters, who ultimately control the acts of Taiwan politicians.

What Do Taiwanese Voters Want?

With Taiwan's democratization, which began in 1986, the Taiwanese electorate emerged as the fourth player in a game that until then had been played by the three governments over the voters' heads. Once Taiwanese voters gained the ability to elect the entire Legislative Yuan (LY) in 1992 and the president in 1996, they held effective veto power over any concession toward China or initiative toward independence that Taipei might consider.

What do Taiwanese voters want? The common understanding has been that the electorate is deeply divided between those who want independence, the "green" camp, and those who oppose independence and/or favor eventual unification, the "blue" camp. In a February–March 2006 poll, respondents were asked to define their identity, and given three possible answers: Taiwanese, Chinese, or both.³ Because the percentage of people living in Taiwan identifying themselves as Taiwanese has been steadily increasing, to 44.9 percent in that poll, and the percentage of those identifying themselves as Chinese has been decreasing, to 5 percent, it would appear that the balance has been steadily tipping in the direction of independence. This shift is thought to explain the election of the DPP's pro-independence candidate Chen to the presidency in 2000 and his reelection, albeit by a hair's breadth, in 2004.

The truth is not so simple. First of all, the largest percentage (47.8 percent) of respondents in recent polls identify themselves as "both Taiwanese and Chinese."⁴ Moreover, policy positions are not as closely linked to identity as is commonly believed.⁵ In a December 2006 poll, for example, only 2.1 percent of respondents said they wanted unification as soon as possible, and only 6.1 percent wanted independence as soon as possible. The others (85.5 percent) chose various versions of the status quo, including "status quo now, decision later" (38.6 percent), "status quo indefinitely" (16.9 percent), "status quo now, independence later" (17.5 percent), and "status quo now, unification later" (12.5 percent).⁶ Of course, the status quo is preferred partly because respondents understand it in different ways. Yet, one thing that surely defines it for everyone is the absence of war.

This counterintuitive lack of association between identity and policy position is possible because, for most Taiwan voters, a strong dose of pragmatism interposes itself between the wish for independence and the will to claim it. Taiwan voters are highly educated, well traveled, aware of the island's increas-

ing interdependence with the mainland, and cognizant of their dependence on foreign trade. They understand the dangerous situation in which the island finds itself. Thus, few respondents in public opinion polls insist on unification or independence regardless of contingencies; most are open to different outcomes depending on which can be achieved peacefully.

A more accurate understanding of the Taiwanese political space therefore requires thinking in three dimensions rather than one. The dimensions are self-identity, preferences regarding statehood, and preferences regarding economic integration with mainland China—whether to intensify economic interdependence or to protect Taiwan’s security from mainland economic pressure.⁷ When combined, the preferences of individual voters on these three dimensions often appear superficially contradictory even though they make sense for the individual involved. For example, a person with trans-

portable skill or capital may favor closer economic ties with China while still identifying himself as Taiwanese and hoping for Taiwanese statehood.

Elections, however, flatten the three-dimensional space into a single spectrum of policy positions that politicians must articulate and among which voters must choose. The spectrum is conventionally visualized as running from some form of political integration or union with China on the right to full juridical independence on the left. The term for this spectrum in Taiwan is *tongdu* (unification versus independence).

Although the classic socioeconomic left-right political spectrum does exist in Taiwan, the socioeconomic spectrum has little importance in differentiating parties, motivating voters, or otherwise organizing the political space.⁸ Despite the efforts of some politicians over the years to highlight issues such as the welfare state, labor rights, and economic redistribution as well as postmaterialist issues such as women’s rights, clean politics, and the environment, the cross-strait issue has dominated electoral and party politics since democratization started in the 1980s.

Within this flattened spectrum, public opinion polls reveal two sizeable groups at the extremes. In the 2006 Asian Barometer Survey, 30 percent of respondents said they supported independence and that they could not accept unification even if the “social, economic, and political conditions in the mainland became comparable to Taiwan,” whereas 15 percent said that they supported unification and could not accept Taiwan independence even “if Taiwan can maintain peace with mainland China after declaring independence.”⁹

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A robust majority, however, clusters in the pragmatic center of the *tongdu* spectrum. This majority acknowledges both the value of the Taiwan way of life and the reality of historical and cultural links with China, wants to maximize self-rule and security under the pragmatic awareness that China is strong and near, and wants to take advantage of China's economic opportunities without being entrapped in dependency. This is the perhaps-impossible set of demands that Taiwanese voters place on their politicians.

Positions of Taiwanese Politicians

As in any political system, Taiwan's political class has its purists, but the voters have seldom rewarded them with success. On the far right, some figures want to bring Taiwan under the control of mainland China before it is too late to reverse the Taiwan nationalist tide. An example is Li Ao, a writer, television talk show host, and independent LY member who

advocates Deng's formula of one country, two systems. Although warmly embraced on the mainland, Li and those like him are marginalized in Taiwan. On the far left, some national legislators and local politicians want to declare independence now and are willing to pay the price, however terrible. In their view, nothing great is done in history without risk, and the time is as favorable as it is ever going to be. Voters seem to enjoy

hearing these views expressed at rallies, but they do not vote in large numbers for the independence line.

Any leader who aims for national power must stretch to encompass the middle of the political spectrum. Whether politicians of mainland origin such as Ma Ying-jeou, James Soong, or Jason Hu (Hu Chih-ch'iang) really want to assert Taiwanese identity or only do so for political reasons, they could not survive politically without praising Taiwan's heritage and promising to protect Taiwan's ability to chart its own future.

By the same token, whether politicians with Taiwan independence backgrounds such as Chen or long-time DPP strategist and current deputy premier Ch'iou I-jen really desire a modus vivendi with mainland China or only pretend to be willing to accept one in order to avoid a political crisis with the United States and a military one with China, they could not win elections at the presidential level or many elections in local constituencies without propounding policy positions that are viewed as at least somewhat realistic and pragmatic. In effect, the tight box that Taiwan itself is in, neither being able to

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declare independence nor to unify with China without endangering its security, constrains the island's politicians as well.

It is difficult to pinpoint where outgoing president Chen stands, as he has frequently made tactical shifts. No doubt he would like to see Taiwan enjoy internationally recognized, fully independent statehood. He nonetheless either believes or verbally defers to a broad public concern that there is too much risk in moving abruptly now. His strategy as president has thus been to claim to maintain the status quo, while redefining it around the edges whenever possible so as to reduce the long-term likelihood of unification and create the long-term conditions for independence.

According to an influential Chen adviser, "Actually we are truly open-minded about the future.... Too many U.S. specialists see the DPP with old eyeglasses. After 10 years of internal debate, the DPP is very clear. The status quo is what it is and can be changed only by the 23 million [residents of Taiwan].... The only consistent position is to insist on democratic processes and respect the people's choice, whatever it is, without the party insisting on an outcome."¹⁰

Although it articulates this position, the Chen camp has conducted a culture and education program aimed at eliminating the vestiges of Chinese identity and incubating a strong popular consciousness of Taiwanese sovereignty. Despite slowly opening economic relations with the mainland in response to pressure from sectors of the business community and to demonstrate that war with China is not inevitable on its watch, this group has sought to minimize the pace of integration.

Whenever he has felt politically insecure, Chen has resorted to provocative initiatives in cross-strait relations calculated to shore up the support of his pro-independence political base, a tactic that is especially effective when Beijing and Washington respond with heavy pressure that makes Chen look like a victim. As he enters the final months of his presidency, Chen continues to construct political, legal, and policy obstacles designed to prevent his successor from making concessions to Beijing. In one such step, Chen aims to hold a referendum in conjunction with the 2008 presidential ballot on joining the UN under the name "Taiwan."

On the center-right, KMT presidential candidate and former Taipei mayor Ma accepts the quasi-independence position first articulated by former president Lee Teng-hui in 1997: the ROC is already a state with an independent sovereignty, and the 23 million people of the island have the right to decide their own future. Yet, he opposes constitutional revisions that would create

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a new state, not only because such a step would provoke war but also because he thinks the country should respect the continuity of its own constitution. Ma sees the character of the currently existing ROC as both Chinese and Taiwanese. He opposes the “de-Chinafication” campaign that has been carried out by the government in the past seven years of DPP rule, stating that

Taiwan’s Chinese roots are a historical reality and that Taiwanese and Chinese identities are not mutually exclusive.

Ma would not accept subordination to Beijing under the formula of one country, two systems any more than the DPP would. He shares the DPP view that the Taiwanese way of life needs to be valued and protected but does not believe Taiwan can prosper in an atmosphere of antagonism with its giant cousin across

the strait. The toxic mix of sharpening confrontation and growing economic dependency only hurts Taiwan’s interests and reduces its bargaining power. Given economic interdependence and China’s rising power, Ma favors long-term coexistence and closer economic ties. His vice presidential running mate, Vincent Siew, has proposed a cross-strait common market.

Ma would endorse the one-China principle, the idea that there is only one China of which Taiwan is a part, as long as Beijing and Taipei can each interpret this principle in its own way—the so-called 1992 consensus of “one China, variously interpreted.” Under this formula, Taiwan could view the one China that exists as cultural, federalist, or in any other way that it wished. The two sides would agree not to use force, and final-status issues would be shelved for 30–50 years. Eventually, Ma’s KMT hopes that the mainland might be willing to accept a Chinese confederation with the ROC as a member.

Hsieh, the DPP candidate, stands on the center-left. As Kaohsiung mayor in 2000, he offered to travel to Xiamen to discuss a sister-city arrangement, but the proposal was vetoed by the Chen administration. He, like Ma, acknowledges that the existing ROC constitution is anchored in the one-China principle. As premier in 2005, he announced a policy of “conciliation and cooperation” with the anti-independence, or pan-blue, camp but was again blocked by Chen. Hsieh would prefer Taiwan to be recognized as fully independent, but he believes that China is too strong, U.S. support is too uncertain, and Taiwan’s economic interests are too tied to the mainland to make a bid for independence realistic.

Meanwhile, China is liberalizing and may therefore be more appealing in the future as a partner for some form of unification. Hsieh asserts that Taiwan “cannot avoid mainland influence. We must understand their nationalism,

must dialogue and communicate. We cannot realize our hopes while having very tense relations with the mainland.”¹¹ As a result, Taiwan’s interests will best be served by working in good faith over a long period of time toward an agreement, perhaps a symbolic political union, that protects Taiwan’s ability to control its own future within a framework that the mainland can accept and that can therefore be stable.

None of this means that Hsieh has abandoned his sense of Taiwanese identity. Like other DPP leaders, he wants to train the children and grandchildren of Taiwan to know their true history. Hsieh would never accept a coerced Chinese identity just for the sake of finding an early solution to the political-military tensions with the mainland. Hsieh’s running mate, Su Tseng-ch’ang, is associated with the DPP’s New Tide faction, which in recent years has taken a pragmatic position on cross-strait issues. During his recent stint as premier, Su tried to engineer some relaxation of restrictions on cross-strait economic exchanges but was blocked by independence supporters in the administration.

For all their differences in style and substance, the mainstream actors believe that Taiwan (or the ROC) is a sovereign state while also giving signs that they would be willing to entertain a final-status arrangement that places this sovereign entity in some form of association with China.

The Illusion of Polarization

Although both parties have nominated moderates for the presidency and vice presidency, the Taiwan political scene still presents a spectacle of apparent polarization. Five political institutions in Taiwan have sustained this phenomenon: the frequency of elections, the electoral district system, the party system, the semi-presidentialist constitution, and the media.

First is the frequency of elections. These occur not once a year in Taiwan but often twice a year because local and national, legislative, and executive terms of office are not coterminous and each kind of office has its own election day. As one politician said, “In an election, you need to distinguish yourself from others, and there are not a lot of issues.... The polls show a bell curve, in which the two extremes exist but are small. But at election time, it turns into a U curve, passions are aroused, and ideology is strengthened.”¹² Because elections are almost constant, the mood of partisan combat is sustained without the kinds of intermissions that, in other political systems, provide politicians the opportunity and incentive to move to the center and take risks in the national interest.

Second is the multimember district system for elections to the LY. Technically called the single nontransferable vote (SNTV) system, it has given multiple seats to each district and allows each voter to cast one vote for an in-

dividual that is not transferable to another candidate of the same party. In LY elections from 1992 to 2005, this system moved politicians during campaigns toward the edges of the policy spectrum because it enabled candidates to win elections with fractions of the vote, sometimes as low as 10 percent, by playing to specific constituencies.

Third, Taiwan since 2000 has been working its way first toward, then away from a four-party system, a process generated by the slow-motion fracturing of the long-time, single ruling umbrella party, the KMT, under the pressures

of democratization. The moderate right position exemplified by Ma has been flanked to its right by two KMT splinters, first the New Party and later the People First Party, both of which emphasized Chinese identity and conciliation with Beijing. The moderate left position has been flanked to its left by the Taiwan Solidarity Union, also led by refugees from the KMT, which articulated a strong Taiwanese identity and unambiguous pro-independence position.

The shift toward moderation is real but fragile.

When these flanking parties have been strong as was the case in the 2000 presidential election, a major-party candidate was constrained from moving toward the center because he would risk losing his base to the flanking extreme party without being likely to win centrist voters away from the other party.

Fourth, under conditions of two-party competition, Taiwan's semi-presidentialist constitution sustains polarization by giving the president more power than he would have under other types of democracy. Semi-presidentialism was introduced in a series of constitutional reforms carried out under the last KMT strongman, Lee Teng-hui, between 1992 and 1997. The system was designed for the political conditions that were anticipated at the time to continue: dominant-party rule under a strongman leader. It gave considerable authority to the legislature and the cabinet but allowed the president to control these branches behind the scenes in his role as leader of the ruling party.

Unexpectedly, the 2000 election left Taiwan with a plurality president, Chen, lacking the mandate that an electoral majority would have given him, facing opposition party dominance of the LY. As a result, as one policymaker said, "It is difficult at the tactical level to agree on anything domestically. The government has to negotiate with both China and the opposition, who talk to each other.... The issue in any cross-strait step is the division of credit for the deal."¹³

Fifth, the search for consensus is hampered by media politicization. Taiwan's media used to be owned or influenced by the KMT until the mid-1990s. The new outlets founded during democratization are owned or influenced by the DPP. Intense competition for survival among both print and electronic media

has exacerbated the dramatization of political news. Politicians have to strike theatrical postures to get coverage. Said one political observer, "Our domestic politics is about differentiating oneself from the mainstream."¹⁴ The chief issue on which to do so is cross-strait relations.

Toward a Tipping Point for Moderation

A mix of structural changes and contingent factors has brought the system to the current tipping point at which relatively moderate presidential candidates have come to the fore in both camps. Whether the new trend will be consolidated, however, is an open question.

Principally, centrist public opinion has emerged gradually out of the crucible of policy failure and scandal during the Chen presidency. Chen's efforts to open up more international space for Taiwan hardened Beijing's position and produced a loss of support for Taiwan in Washington without generating diplomatic payoffs. The economy went through a recession in 2001 and has not strongly recovered. A stream of corruption scandals has engulfed high-ranking DPP officials and the presidential family. Constant elections and gridlock in the LY have exhausted the voters. Having started his first term with a popularity rating higher than 70 percent, Chen is ending his second term in the 20s. These events have helped to open the political space to the possibility of success for moderate politics.¹⁵

Second, the minority parties have lost their vitality, mainly due to the voters' move toward the center. Also, institutionally, executive positions in Taiwan, from the presidency down to mayors and county magistrates, are elected in simple-majority elections, which minority parties can spoil but not win. Despite their vocalness and occasional influence, the minor parties cannot acquire the patronage resources they need to consolidate their bases.

The decline of the minor parties has allowed the moderating logic of the two-party system to emerge in this year's presidential nominating process. Ma won his party's nomination because he was widely viewed as the KMT's strongest candidate. His efforts to learn and use the Taiwanese language and his centrist position on Taiwan's political status were viewed as assets that might attract independent voters and even some former DPP supporters who had become disillusioned by Chen's poor record in office. In the DPP, Hsieh won the party primary in a competition with Su. No nonmoderate was in serious contention. The DPP base is aware that the pure ethnic/independence appeal has never generated a majority for the party.

The DPP's highest level of support in any election was 48.8 percent in the 2004 presidential election, during which a bizarre shooting event on the eve of the election swung a substantial sympathy vote toward Chen. Under more

normal circumstances, such as in LY elections, the DPP has never broken 40 percent of the electorate. To win against a formidable candidate such as Ma, the DPP knew it had to nominate a moderate. Although the election campaign will experience phases when Hsieh will play up the ethnicity and identity issues to energize his base, there is a good prospect that if he wins, he will adhere to his long-standing moderate position.

Third, a reform of the LY election system, which takes effect with the January 2008 election, has in some ways reinforced the new dynamic. The multi-member SNTV system has been replaced by a single-member, simple-majority system having more and smaller electoral districts, hastening the demise of the minority parties. In the coming election, the People First Party will most likely be forced to merge back into the KMT. The Taiwan Solidarity Union may survive for the time being at the tolerance of the DPP if the larger party refrains from contesting seats in a small number of deep-green districts, but it will be expected to cooperate with the DPP in the LY.

The moderating effects of LY reform are muted, however, because the policy positions of legislative nominees must be filtered through the two parties' primary systems. In this round, the fact that the reform also involves downsizing the LY helped generate a fierce battle for nominations in the DPP primaries that was utilized by Chen's allies to produce a roster of relatively extreme nominees. The DPP caucus in the LY for the next four years will therefore work to frustrate conciliatory initiatives by the next president. Nor will the LY reform do anything to rectify the problem of immobility that besets Taiwan politics whenever the LY and presidency are controlled by different parties.

Some aspects of the political system remain unchanged, and some of the changes have two-sided implications. The basic conundrum remains: Taiwanese people want recognition for the value of their achievements and culture, they want to control their own fate, and they want peace and prosperity, while Beijing has not relented in its insistence on sovereignty. Moreover, Taiwan still has a ruthless election and media culture. The shift toward moderation is therefore real but fragile. To become consolidated, it will need to show convincing results in the first year of the new president's term.

Calling on Beijing and Washington

If handled correctly by Beijing and Washington, these trends could reverse the rising tensions that go back at least to the 1995 Taiwan Strait crisis, when China tested missiles in the sea near Taiwan in an attempt to dissuade Taiwanese politicians from moving toward independence. To consolidate the potential for moderation, Washington and Beijing should direct some early policy payoffs to the new president. This will require showing respect for Taiwanese

identity and for Taiwan's security needs while finding creative ways around the sticking point of Taiwan's status.

Taiwan's new president will face significant domestic political difficulties. If Ma wins, his status as a mainlander and the existence of a strong DPP caucus in the LY will pose obstacles to his cross-strait agenda. If Hsieh is elected, he is likely to confront a hostile, KMT-controlled LY, which will have little incentive to cooperate. (The new LY electoral system gives the KMT an advantage because it gives seats to sparsely populated counties and cities, which are KMT strongholds. The KMT also has a deeper organizational apparatus at the grassroots.) Hsieh will also face opposition in the DPP's LY caucus, which is likely to be dominated by hard-liners from the south, with Chen wielding influence from behind the curtain.

Consolidating Taiwan's fragile shift toward moderation will require results.

How far and how fast Taiwan's new president can travel down the road of cross-strait rapprochement will depend on the answers to three questions: Is Beijing ready to seize the opportunity and reciprocate with significant political rewards? Is Washington comfortable with accelerating cross-strait economic integration and its long-term strategic implications? Can further steps in cross-strait economic relations be designed to generate widespread trickle-down effects and be supplemented with safeguard measures to compensate potential losers, such as farmers and blue-collar workers?

Progress in Taipei-Beijing relations will predictably alarm some Americans who think the cross-strait situation should be kept tense as a check against rising Chinese power. Yet, this is a case where U.S. declaratory policy has it right. The core U.S. interest is to maintain stability in the strait and to arrive at the ultimate outcome peacefully, thus defending the credibility of a long-standing U.S. commitment.¹⁶

The adjustments required from Beijing will be more difficult. At the symbolic level, Beijing needs to show the Taiwanese that it respects their pride in their distinctive history and culture. At the practical level, it needs to reassure Taiwan's residents that it will not take advantage of a rapprochement to infringe on their security. On both fronts, Beijing will need to overcome deep distrust among the Taiwan electorate built up during a decade of harsh rhetoric and hard-ball diplomacy. To be sure, Beijing's hard line grew out of its own distrust of Taipei. In the early years (1988–1994) of the Lee Teng-hui presidency, Beijing took some relatively flexible positions to build trust with Taipei but then felt that Lee took advantage of these concessions to edge Taiwan toward independence.

Now, Beijing will need to swallow hard and take a series of risks with the new president. The last mainland-Taiwan accord was a 2006 agreement to allow certain kinds of charter flights to fly directly between the two sides, which sidestepped sovereignty issues by putting forward the two sides' airline associations as signatories. Similar ideas on the shelf afford opportunities to create small steps of momentum: ideas for scheduled direct flights, exchange of tourists, currency exchange, and direct cargo transfer through islands near to China that belong to Taiwan. Larger signs of generosity on the part of Beijing could include relaxing the current full-court press on the few remaining countries that still recognize Taipei; relaxing China's opposition to Taiwanese membership in the World Health Assembly (associated with the World Health Organization); relaxing the PRC ban on high-level Taiwanese participation in the Asia-Pacific Economic Cooperation forum; and slowing down or even freezing the deployment of medium-range missiles pointed at Taiwan.

Even when focusing on near-term and small-scale issues aimed at building trust, "shape-of-the-table" issues over seating, nameplates, and the like will keep raising the neuralgic issue of sovereignty. To make this early stage successful, China could creatively rethink the concept of one China. This should be possible if Beijing keeps its eye on its most important real interest in Taiwan: to prevent the island from being used as a strategic asset by antagonists to attack or contain the mainland.¹⁷ This goal is chiefly one of denial and can be achieved within a flexible concept of sovereignty.

Consolidating Taiwan's fragile shift toward moderation will require results. Beijing and Washington both have a stake in seeing that they are achieved. The emerging Taiwanese political center defines a position that could potentially be acceptable to both of them and should therefore be encouraged early in a new Taiwanese president's term by tangible rewards.

Notes

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13. Taiwanese official, interview with author, Taipei, June 2006.
14. Taiwanese analyst, interview with author, Taipei, June 2006.
15. See Shelley Rigger, "Taiwan's Rising Rationalism: Generations, Politics, and Taiwanese Nationalism," *Policy Studies*, no. 26 (Washington, D.C.: East-West Center Washington, 2006).
16. Andrew J. Nathan, "What's Wrong With American Taiwan Policy," *The Washington Quarterly* 23, no. 2 (Spring 2000): 93–106; Nancy Bernkopf Tucker, "If Taiwan Chooses Unification, Should the United States Care?" *The Washington Quarterly* 25, no. 3 (Summer 2002): 15–28.
17. See Alan M. Wachman, *Why Taiwan? Geostrategic Rationales for China's Territorial Integrity* (Stanford, Calif.: Stanford University Press, 2007).

