

# **The Perspectives of Cross-Straits Relations: An Analytical Framework and its Implications**

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## **I. Introduction**

The security environment in Asia has undergone major changes in the last few months. The most relevant one to the cross-straits relations is the succession of power by Xi Jin-ping as China's new leader. (Miller, 2013; Fewsmith, 2013) After Xi took the new position as the President of the PRC, he was able to consolidate his power almost immediately by taking the military chief job at the same time. Apparently, he will be the one who is in charge for mainland China of the cross-straits relations for the years to come. However, he is constrained by many structural factors. For example, he will certainly be constrained by China's domestic stability and the rise of nationalism. The greater the instability and the rise of radical nationalism in China, the less room Xi will have in compromise with a pro-independent Taiwanese leader. Xi's decision may also interact with the decisions by the US leader and the Taiwanese leader. If Xi expects a much friendly relations with Taiwan due to a much compromising Taiwanese leader in the future, then he will be less likely to take assertive actions against Taiwan currently. On the contrary, if he expects a very negative cross-straits relation in the future, then the chance for him to take hostile action against Taiwan is increased.

Similarly, the possible change of national leadership in Taiwan in 2016 will also be a significant factor to the future of the cross-straits relations. If a new KMT leader is elected as the successor to President Ma, then it is more than likely that Ma's current rapprochement policy will be continued. However, if a DPP leader is elected as the new President, then it will create great uncertainty to the future of the relations. The possible influence of a new DPP leader to the cross-straits relations may not have to wait until the actual leadership change in 2016. If the KMT loses the local election of 2014 drastically, then the signaling effect of the event may be strong enough for the

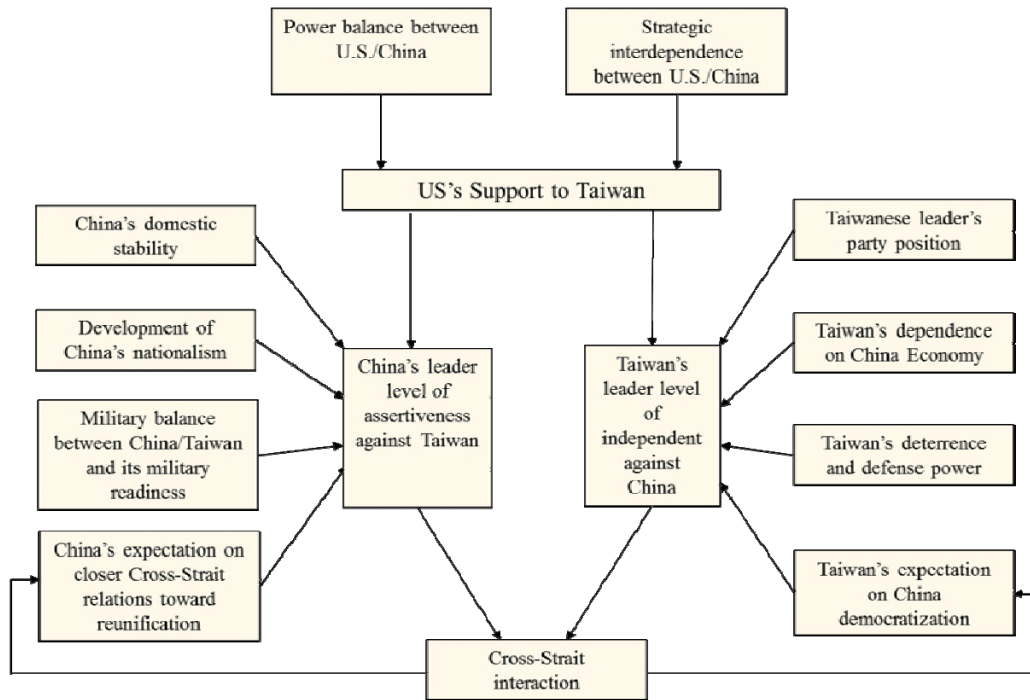
Chinese leader to take some preventive actions. For example, mainland China may make stronger efforts to interact with selected DPP elites to push a new China policy from the DPP, and to pressure the current KMT government to reach further agreements so that the trend of rapprochement becomes irreversible.

To what extent the cross-straits relations will be influenced by the transition of leadership in China and in Taiwan? Will the leader be constrained by the already-existed structural factors? Or he or she is more of a determinant factor to the future of the cross-straits relations? What are those structural factors? In what way those factors will shape the future of the cross-straits relations? What are the strategies the relevant leaders may do to best serve their respective interests? These are the questions that concern many of us, and will be discussed in the followings. The main purpose of this draft is to try to provide an analytical framework and then discuss about its implications.

## **II. An Analytical Framework:**

Most of the literature discuss about the changes in cross-straits relations as the dependent variable from the following three categories of factors: 1) the international system factors; 2) the interactive factors between the two sides of the straits; and 3) the linkage factors of domestic politics to the cross-straits relations. The most direct factor should be the interactions between the two governments lead by their respective political leaders. For example, the recent rapprochement between the two has been the direct result of the change of national political leadership in Taiwan in 2008. And the expectation that “things may getting better” by the mainland Chinese leadership is apparently a significant factor that convince them to make (economic) concessions to Taiwan on the negotiation table in the last few years. However, the political leaders of both sides are constrained by the international system factors and their domestic politics. Mainland Chinese leader may want to take strong negative action against a pro-independent Taiwanese leader. But if the US is in support of Taiwan strongly, then China’s move is constrained. The relations among these factors may be illustrated as the following Fig. 1.

(Fig.1 about here)



#### I) The international factors:

The most important international factor that will influence “Chinese leader’s decision on the level of assertiveness against Taiwan” is the “level of the US support to Taiwan”(Tucker and Glaser, 2011). The stronger the level of US support to Taiwan, the less likely that China will take strong conflict actions against Taiwan. In turn, the US support to Taiwan is influenced by two factors: 1) the power balance between the US and China (Art, 2010; Shambaugh, 2011) and 2); the strategic interdependence between the US and China<sup>1</sup> (Kissinger, 2012; Brzezinski, 2012). The greater the power balance in favor of China, the less the US will support Taiwan. The greater the strategic interdependence between the two, the less the US will support Taiwan. The greater the national capability of China is, relative to that of the US, the less likely that the US will intervene when China attacks Taiwan. Each of them may also increase their respective capability by making alliance with major players in the international system. For example, China is making an effort to form a stronger coalition with the Russia<sup>2</sup>. The US has formal alliance relations with Japan and Korea.

“The US support to Taiwan”, as a variable, will influence both Chinese leader’s decision on “the level of assertiveness against Taiwan” and Taiwanese leader’s decision on “the level of Taiwanese independence from China” (Romberg, 2013).In

<sup>1</sup> <http://www.cfr.org/asia-and-pacific/chinas-maritime-disputes/p31345#/>

<sup>2</sup> Xinhua (Beijing), Mar 31, 2013. “Xi’s Russia visit enhances mutual trust, expands cooperation: Chinese FM” [http://news.xinhuanet.com/english/china/2013-03/31/c\\_132273960.htm](http://news.xinhuanet.com/english/china/2013-03/31/c_132273960.htm)

turn, the interaction of latter two variables will determine the current form of cross-straits relations. And the current form of cross-straits relations will signal to both political leaders what to expect in the future from their counterpart. Mainland Chinese leader will concentrate its concern on whether Taiwan will get closer to China's goal of reunification. Taiwanese leader will concentrate its concern on whether China will become more democratized, so that Taiwan will be less threatened by a stronger and wealthier China (since Taiwan seldom worry about a stronger US or Japan).

## **II) The Interactive factors:**

As mentioned above, the respective future expectation of Chinese leader and Taiwanese leader toward one another will have an important impact on their current decision (Romberg, 2013). If Chinese leader believes that the future cross-straits relation is heading to the better, then he or she is less likely to take hostile actions now. Similarly, if Taiwanese leader believe that China's political system will be more and more democratized, and therefore becoming more and more like that of the Taiwanese system, then he or she is less worry about Taiwan becoming too dependent on China (Liu and Chen, 2012). However, if Chinese leader believe that things is getting worse, then he or she is more likely to take hostile actions against Taiwan. Especially, if Chinese leader believe that time is not on China's side. If the longer they wait, the less likely that China will have the chance to move things back to the tract, then the leader may be compelled to take strong preemptive actions now.

## **III) The domestic factors:**

Chinese leader's decision is also constrained by "China's domestic stability"<sup>3</sup>, (Keidel, 2006; Tong and Lei, 2010) "the development of nationalism in China"<sup>4</sup> (Mulvenon, 2013; Swaine, 2013), and "Chinese leader's perception of its military readiness against Taiwan" (Mahnken, 2011; Scobell and Nathan, 2012). The stronger the rise of China's nationalism in domestic politics, the less room its leader has when confronting against a perceived hostile action against China, such as a Taiwanese move toward independence. However, Chinese leader's willingness to take assertive action against Taiwan is apparently conditioned by his perceived military balance/readiness against Taiwan; and China's domestic stability. The stronger the Chinese/Taiwanese military balance is in favor of China, then the more likely that the Chinese leadership will take strong action against Taiwan when the moment is

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<sup>3</sup> Reuters (Beijing), Mar 5, 2012. "China domestic security spending rises to \$111 billion" <http://www.reuters.com/assets/print?aid=USTRE82403J20120305>

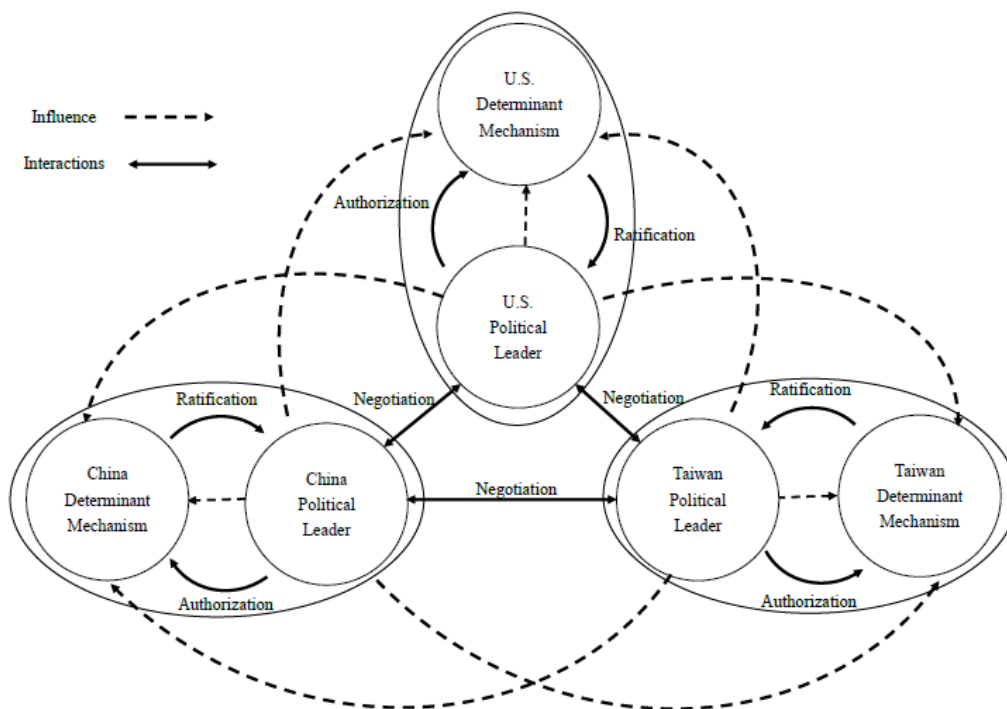
<sup>4</sup> The New York Times (Beijing), Jun 4, 2013. "Xi Jinping's Chinese Dream" <http://www.nytimes.com/2013/06/05/opinion/global/xi-jinpings-chinese-dream.html?pagewanted=all>

needed.

#### IV) The two level game and the loop of influence and interactions:

Among the factors mentioned above, some can be manipulated by political leaders, while some are not. Among those factors that can be manipulated, political leaders will choose those most effective and efficient ones as priorities. The Fig.2 may demonstrate a possible map of loops of influence of the “three-player two level games” among the US, China and Taiwan. The map shows the direction and indirect loops of influences and interactions among various international and domestic players in the game. Political leaders will be influenced by the three aspects of factors mentioned on fig.I, but what he or she think what can be done may according to the map of influence demonstrated by the two level games on Fig.2.

(Fig.2 about here)



As demonstrated by the Fig.2, political leader is the respective agent of the collective body. He or she is authorized by the respective principles through the state’s respective authorization mechanism. After the authorization (such as be elected as the President), the leader is empowered to negotiate with its counterparts. However, if a tentative agreement can be reached between one leader and any other two leaders, the agreement will still require the ratification from the principles through each

collective's respective ratification mechanism. For example, the Trade and Services pack agreed by the SEF(海基會) and ARATS(海協會) is still waiting for the ratification from the Legislative Yun in Taiwan. Therefore, to a political leader (such the mainland China leader), there are several different ways to influence another political leader's decision. He or she is able to influence the other leader by the direct interactions of negotiation, by indirect interactions with the principles of the other side's authorization mechanism, or through its relations with the third collective.

### **III. The Implications: What China may do according to the framework and the two-level game?**

In general, the new Chinese leader may be able to influence the future relations according to the map of influence and interaction loops, but still constrained by the variables mentioned in the analytical framework. What the Chinese leader may do includes the followings.

#### **I) On international aspect:**

- 1) To create a better strategic relations with the US so as to reduce the US support toward Taiwan<sup>5</sup>.
- 2) To establish a stronger alliance with the Russia to constrain the US from its strategic maneuvers in Asian (including on cross-Straits issues).<sup>6</sup>
- 3) Continue to strengthen China's military power to counterbalance the US military presence in Asia and its possible intervention into a cross-straits conflict.

#### **II) On interactive aspect:**

- 1) To structure a stronger framework for post-2016 cross-straits relations so that even with the change of leadership from the KMT to DPP the current relations cannot be reversed (such as to establish institutional arrangement between the ARATS (海協會) and SEF(海基會));<sup>7</sup>
- 2) To initiate sensitive talks with Taiwan, such as on CBM, and on political talks<sup>8</sup>
- 3) Try to have a break-through with Taiwan before the end of Ma's second term (for

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<sup>5</sup> Wang Yi, Sep 20, 2013. "Toward a New Model of Major-Country Relations Between China and the United States" <http://www.brookings.edu/events/2013/09/20-us-china-foreign-minister-wang-yi>

<sup>6</sup> RIA Novosti(Moscow), Mar 24, 2013. "Chinese Leader Vows Stronger Military Ties With Russia" [http://en.rian.ru/military\\_news/20130324/180213648/Chinese-Leader-Vows-Stronger-Military-Ties-With-Russia.html](http://en.rian.ru/military_news/20130324/180213648/Chinese-Leader-Vows-Stronger-Military-Ties-With-Russia.html)

<sup>7</sup> Xinhua (Beijing), Mar 18,2013. "Report on the Work of the Government" [http://news.xinhuanet.com/english/china/2013-03/18/c\\_132242798\\_7.htm](http://news.xinhuanet.com/english/china/2013-03/18/c_132242798_7.htm)

<sup>8</sup> The Economist (Taipei), Sep 21st 2013, Politics in Taiwan "Daggers drawn" <http://www.economist.com/news/asia/21586546-struggle-between-president-and-ruling-party-heavyweight-has-consequences-islands/print>

example, to arrange a Ma-Xi meeting somewhere)<sup>9</sup>

### **III) On The domestic aspect:**

- 1) To establish a better connection with the new generation of leaders in KMT<sup>10</sup>;
- 2) To establish a better dialogue with the possible leaders in DPP (Bush, 2013)
- 3) To establish a stronger business, cultural, etc. connections with various level of Taiwanese society<sup>11</sup>;
- 4) Prepare to influence the result of the 2014 and 2016 elections.
- 5) To prevent its domestic rise of nationalism from out of control.

China's actions can be demonstrated along the time line started from the beginning of 2013 to the year end of 2016 on a "Future Event Chart" attached in (Appendix I). Events that scheduled to happen for sure and events that may happen are all marked along the time line, which make it easier for us to see the possible interactions of those events and the possible strategic move by the relevant decision makers in response to the events.

## **VI. Conclusion**

Looking into the future, there is no guarantee that the cross-straits relations will surely turning to the better. On a previous study, Wu and Shih (2009:239-273) argued that: 1) mainland China's expectation that a much hostile leader may be selected by the Taiwanese voters in the future may actually force Chinese leader to compromise more with the current Taiwanese leader; and 2) the political linkage between cross-straits relations and the respective domestic politics, especially to Taiwan's presidential election, can be a powerful structural factor that will influence the future of the relations. In particular, Taiwanese voters may be motivated to select a less compromising leader when the cross-straits relations are heading to the better under the current leader. Taiwanese voters may think that is a good way to keep all the goodies from the economic integration while not losing its political independence. However, this may be a misperception and miscalculation on Chinese's reactions. And the pendulum effect may push back the cross-straits relations to a much worse situation.

Thus, as demonstrated by the "Future Events Chart" attached in (Appendix I), the recent Taiwanese domestic politics can be important factors to the cross-straits

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<sup>9</sup> Taipei Times (Taipei), Sep 25, 2013. "APEC addition sparks Ma-Xi meeting speculation"  
<http://www.taipeitimes.com/News/front/archives/2013/09/25/2003572941>

<sup>10</sup> "Xi meets with KMT honorary chairman" Jun 13, 2013. Taiwan Affairs Office of the State Council PRC, [http://www.gwytb.gov.cn/en/Headline/201306/t20130618\\_4333361.htm](http://www.gwytb.gov.cn/en/Headline/201306/t20130618_4333361.htm)

<sup>11</sup> "Ninth cross-Strait forum to be held in S China" Sep 25, 2013. Taiwan Affairs Office of the State Council PRC, [http://www.gwytb.gov.cn/en/SpokespersonRemarks/201309/t20130926\\_4938028.htm](http://www.gwytb.gov.cn/en/SpokespersonRemarks/201309/t20130926_4938028.htm)

relations. If the recent “Cross-Straits Agreements on Trade and Services” is not ratified by the Taiwanese Legislative Yuan, and if the KMT splits because of the recent Ma-Wang fictional disputes<sup>12</sup>, then the KMT may lose the 2014 seven-in-one local elections, and even the 2016 Presidential election. President Ma’s failure to have the Legislative Yuan to ratify the trade/services pack agreement will send two important signals to mainland China. First, it shows that Ma and the KMT is no longer able to keep its majority advantage in the Legislative Yuan to push the current “peaceful development” between the two sides further. Second, it demonstrates that the DPP will be more than likely to keep its hostile position against further Taiwanese rapprochement toward mainland China. Thus, the resume of ruling position by the DPP in 2016 will likely be perceived by mainland China as a major set-back to its rapprochement policy toward Taiwan. This situation will be a significant pressure on mainland China’s new leader Mr. Xi, since the set-back is likely to be interpreted as the failure of his leadership. As a result, he may be compelled to react strongly under the domestic pressures.

If this were the case, then the second part of 2016 will be a very difficult time for Taiwan, especially if the newly elected DPP President has already shown signs of deviation from the previous peaceful development of cross-straits relations. The Chinese leader will keep a “wait-and-see” policy against the newly elected DPP president at the very beginning. If the DPP President is not be able to meet Chinese leader’s expectation, which is very likely according to the current DPP factional structure, the Chinese leader will instead expect that the situation may go much worse in the future. At the same time, the American President is less willing to intervene strongly into a cross-straits conflict if it happened. This may be the case because President Obama will be on his way out of the second term. By that time Mainland China has already accumulated a formidable economic power and defense forces. And the US is likely to be in need of China’s partnerships to handle many of the trouble issues around the world. Unless there is a serious enough reason for the US leader to challenge China, he is not likely to stand up strongly against China; especially the source of trouble is from Taiwan. Unfortunately, Taiwan’s national defense may also happen to be in its historical weak situation, since the whole defense system will be in transition. As a result, China may perceive the moment as a window of opportunity, and to pressure Taiwan in a major way.

Therefore, it is important for the Taiwanese political leader to keep a no surprise

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<sup>12</sup> The Economist (Taipei), Sep 21st 2013, Politics in Taiwan “Daggers drawn”  
<http://www.economist.com/news/asia/21586546-struggle-between-president-and-ruling-party-heavyweight-has-consequences-islands/print>



policy in the current and the near future cross-straits relations. No matter which political party is going to win the 2016 Presidential election, he or she should not change the current course dramatically. Unless Taiwan is able to gain firm support from the US, or acquire critical strategic defensive or deterrence capability, or observes dramatic Chinese domestic instability, otherwise Taiwan's move to demonstrate future dramatic negative cross-straits relations is likely to motivate the Chinese leader to take preemptive actions against Taiwan.

For the US, it is important for the US to notice that domestic politics matters. Not only the US domestic politics, but also the domestic politics of other relevant states in this game are all matters. And the possible change of political leader in Taiwan in particular, may be a trigger to many chain-reactions. Although it is not the US policy to intervene into others' domestic politics, it is important for the US to keep close eyes on the future development of the Taiwanese domestic politics. Another useful strategy may be for the US to demonstrate its strong support to Taiwan's security, at the same time to clearly encourage the development of further rapprochement between the two sides of the Taiwan Straits. The former can be demonstrated by new arms sales to Taiwan, the later can be demonstrated by the US endorsement of cross-straits sensitive talks on CBM or political issues.

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	and its military readiness	<p><b>This would make it larger than the defense budgets of all other major Asian nations combined.****</b></p> <p><b>2013/08 China's BeiDou vehicle navigation device officially launched and planned to begin serving global customers upon its completion in 2020.</b></p> <p><b>2013/09 'Mission Action 2013' military exercise</b></p> <p><b>2015 Two More Aircraft Carriers put into service</b></p> <p><b>2015 Space station Tiangong-2 and 3 scheduled to be launched</b></p>
USA	Power balance between U.S./China	<p><b>2013 GDP growth rate increasing as China's GDP growth rate goes down</b></p>
	Strategic interdependence between U.S./China	<p><b>2013/09 Syria 'chemical weapons' crisis</b></p> <p><b>2013/09 <u>Obama</u> dialog to Iranian President Hassan demonstrates the released of tensions between two countries</b></p> <p><b>2014/11 U.S. Midterm Election</b></p> <p><b>2016/11 U.S. Presidential election</b></p>
Scenario Analysis		
KMT wins in 2016	Taiwan's Reaction	<p><b>Push for the ratification of the Trade/Services Pack</b></p> <p><b>Keep negotiation going under ECFA</b></p> <p><b>Ask for more benefit from Mainland China</b></p> <p><b>Strengthen defense/deterrence capability by acquiring critical weaponries</b></p> <p><b>Demonstration of soft power to attract support from the general population of China</b></p> <p><b>Further opening of market on tourists, education etc.</b></p> <p><b>Prepare for sensitive talks on CBM and political negotiation</b></p>
	China's Reaction	<p><b>Signaling the importance of the ratification of the Trade/Services Pack</b></p> <p><b>Keep negotiation under ECFA but no hurry</b></p> <p><b>Keep dialogue with selected DPP leaders</b></p> <p><b>Slow down economic and trade negotiation</b></p> <p><b>Less benefit surrender</b></p> <p><b>Push for sensitive talks on CBM and political negotiation</b></p> <p><b>Try to influence the results of the 2014 and 2016 elections in Taiwan</b></p>

KMT loses in 2016	Taiwan's Reaction	<p>The DPP successfully stop the ratification of the Trade/Services Pack</p> <p>The DPP wins the 2014 seven-in-one election</p> <p>Keep negotiation under ECFA</p> <p>The DPP wins the 2016 Presidential election</p> <p>Some symbolic gestures to demonstrate Taiwanese independence</p> <p>Slow down cooperation and interaction</p>
	China's Reaction	<p>Push the KMT leadership for a consolidation of the current rapprochement</p> <p>Keep negotiation under ECFA but no hurry</p> <p>Increase its contacts with selected DPP leaders</p> <p>A wait-and-see of the new President's position</p> <p>Slow down cooperation and interaction</p> <p>Spending more on the military</p> <p>Preparing for a military threat</p>

\* <http://www.ntdtv.com/xtr/b5/2013/07/22/a935519.html>

\*\* Out of all the netizens, 78.5 percent, or 464 million, use mobile phones to access the Internet

[http://www.chinadaily.com.cn/china/2013-07/17/content\\_16790316.htm](http://www.chinadaily.com.cn/china/2013-07/17/content_16790316.htm)

\*\*\* <http://www.reuters.com/article/2012/02/16/asia-defence-idUSL4E8DF2M720120216>

\*\*\*\* <http://www.epochtimes.com/b5/13/9/19/n3967553.htm>