

**SUSTAINING THE TRIANGULAR BALANCE:  
THE TAIWAN STRAIT POLICY OF BARACK OBAMA,  
XI JINPING, AND MA YING-JEOU**

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**I. INTRODUCTION AND MAIN ARGUMENT**

In 2012-13, the United States, Taiwan, and China completed their political transitions, leading to the successful reelections of Presidents Barack Obama and MA Ying-jeou, and the ascendancy of XI Jinping as the new general secretary of the Chinese Communist Party (CCP) and President of the People’s Republic of China (PRC). As Washington, Taipei, and Beijing commence their new administrations, this monograph sets out to examine their respective Taiwan Strait policies and the strategic implications for cross-strait relations.

The main argument contends that, notwithstanding their domestic political pressures at home and different normative and strategic orientations, all three actors share the common national security interest in continuing and deepening the current peaceful China-Taiwan trajectory that has existed since May 2008. Nonethe-

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less, each actor also harbors different objectives with respect to the ultimate outcome of cross-strait relations. As shown in Table 1 below, Washington has always insisted on a peaceful resolution of the Taiwan Strait conflict, and, since 1996, further demanded that any outcomes (whether it be independence or reunification) must also receive the backing of the Taiwanese people. Thus, the U.S. strategic ambiguity policy, rooted in the heydays of the Cold War, seeks to deter both Taipei and Beijing from unilaterally altering the status quo. In a similar vein, Taiwan's recommitment to the "1992 consensus" after Ma came to office signals a convergence with America's longstanding stance. Taipei's enunciation of "no unification, no independence, and no use of force" and its construction of "one China" being the Republic of China (ROC), incorporating both the mainland and Taiwan, engender an aura of vagueness that helps to reduce tensions and improve the island's security through three strategies: binding engagement, limited bandwagoning, and soft balancing. Since Taiwan is a liberal democracy, both the Kuomintang (KMT) and the Democratic Progressive Party (DPP) have agreed that any outcomes must also derive from the approval of the Taiwanese public. Though the DPP may return to power in 2016, it is unlikely that it would resort to the hardline policies adopted by the CHEN Shui-bian administration, which saw a drastic deterioration of U.S.-Taiwan relations in 2006-08. After suffering two consecutive defeats in the presidential elections, top leaders in the DPP have also been debating about changing its traditional anti-mainland policy to a more moderate and pragmatic one.

Since 2005, China's HU Jintao has modified Beijing's cross-strait policy, emphasizing the peaceful development of socio-economic relations on the basis of the "1992 consensus." Beijing's approach is a delicate balancing act of engagement and deterrence. In April 2005, the historical meeting between Hu and LIEN Chan, the then KMT chairman, signaled the initial turning point of this cross-strait rapprochement. Beijing also allows greater flexibility in defining "one China," stressing the importance to focus on the simple, non-controversial issue areas and shelve sensitive sovereignty topics until a more propitious time. However, the PRC elites' higher patience does not mean postponing the Taiwan issue indefinitely. The 2005 Anti-Secession Law suggests that, while, on the one hand, mainland China seeks détente and accommodation with Taipei, it, on the other hand, still needs to fulfill the historical mission—that is, reunification. To this end, the military option is never precluded. As a matter of fact, Chinese military modernization, since the mid-

1990s, has been essentially targeted at a Taiwan Strait contingency, as it seeks to develop stronger missile, air, naval, space, and cyber-electronic capabilities to delay and deny possible U.S. interventions in the region.

Cross-Strait Policies	U.S. Strategic Ambiguity	PRC's Peaceful Development <sup>1</sup>	ROC's Peaceful Development
Specific Strategies	Pivotal or dual deterrence	Engagement and deterrence	Binding engagement, limited bandwagoning, and soft balancing
Legal/Ideational Foundations	Three U.S.-PRC Joint Communiqués; the Taiwan Relations Act; and President Ronald Reagan's Six Assurances	The "1992 consensus" with more emphasis on "one China" as the PRC and "peaceful reunification"; The Anti-Secession Law of 2005 legalized the use of force to prevent Taiwan independence	The "1992 consensus" with particular emphasis on "one China, respective interpretations" and "one China" means the ROC
Objectives	Detering both from unilaterally changing the status quo; insisting on peaceful resolution and consent of the Taiwanese people	Deepening of socioeconomic cooperation; building trust and interdependence; and ultimate reunification	Status quo (no unification, no independence, and no use of force); any outcomes must be approved by the Taiwanese people

**Table 1: Cross-Strait Policies of the US, PRC, and ROC since 2008**

1. HU Jintao's peaceful and more pragmatic approach toward Taiwan is an evolution of strategic thoughts that originated in the early reform era. See "NPC Standing Committee's Message to Compatriots in Taiwan," (Jan 1, 1979), accessible at: [http://www.gwytb.gov.cn/en/Special/OneChinaPrinciple/201103/t20110317\\_1790061.htm](http://www.gwytb.gov.cn/en/Special/OneChinaPrinciple/201103/t20110317_1790061.htm); "YE Jianying on Taiwan's Return to Motherland and Peaceful Reunification," (Sep 30, 1981), accessible at: [http://www.gwytb.gov.cn/en/Special/OneChinaPrinciple/201103/t20110317\\_1790062.htm](http://www.gwytb.gov.cn/en/Special/OneChinaPrinciple/201103/t20110317_1790062.htm); "DENG Xiaoping on 'one country, two systems'" (June 22-23, 1984), accessible: [http://www.gwytb.gov.cn/en/Special/OneCountryTwoSystem/201103/t20110316\\_1789244.htm](http://www.gwytb.gov.cn/en/Special/OneCountryTwoSystem/201103/t20110316_1789244.htm); "JIANG Zemin's Eight Point Proposal," (Jan 1, 1995), accessible at: [http://www.gwytb.gov.cn/en/Special/Jiang/201103/t20110316\\_1789198.htm](http://www.gwytb.gov.cn/en/Special/Jiang/201103/t20110316_1789198.htm); "Four-Point Guidelines on Cross-Strait Relations Set Forth by President Hu Jintao," (March 4, 2004), accessible at: <http://www.gwytb.gov.cn/en/Special/OneChina>

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In line with its overarching peaceful development strategy, the PRC is deeply concerned about American power and purports to reassure its regional neighbors, who are becoming increasingly suspicious of China's rising power, in order to avoid their counterbalancing against Beijing. Hence, among the three actors, China may be the most "revisionist", as its peaceful approach to Taiwan may only be "transitional" with an expiration date. Nonetheless, both international constraints and China's own internal problems would render it difficult to radically embrace an aggressive posture, at least in the foreseeable future. In other words, sustaining the current peace and balance across the Taiwan Strait seems to best serve the interests of Washington, Beijing, and Taipei. In spring 2013, both the Obama and XI Jinping administrations expressed their mutual commitment in building up a "new type of great power relationship" that would foster deeper and more robust cooperation between the two Pacific giants. In a similar vein, Xi and Ma also agreed on continuing the current peaceful developments in cross-strait relations. Notwithstanding uncertainties in the long-run, these trends bode well for the prospect of greater stability in U.S.-China-Taiwan relations.

Chapter II of this monograph discusses the United States' national interest in the Taiwan Strait. Rooted in America's liberal commitment to an Open China, post-Cold War U.S. administrations have been pursuing a dual-track policy of engaging China and defending Taiwan's democracy and de-facto autonomy. Following the Bill Clinton and George W. Bush administrations, President Obama's steadfast adherence to the longstanding strategic ambiguity policy, in conjunction with his announcement of "rebalancing toward Asia" in November 2011, is pivotal to the thawing of hostilities across the Taiwan Strait. Then, Chapters III will analyze the cross-strait policies of MA Ying-jeou and XI Jinping. President Ma's resumption of the "1992 consensus," predicated on the notion of "one China, respective interpretations" or "one Republic of

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Principle/201103/t20110317\_1790120.htm; "The NPC Anti-Secession Law," (March 14, 2004), accessible at: [http://www.gwytb.gov.cn/en/Special/OneChinaPrinciple/201103/t20110317\\_1790121.htm](http://www.gwytb.gov.cn/en/Special/OneChinaPrinciple/201103/t20110317_1790121.htm); "Backgrounder: 1992 Consensus on 'one China' Principle," (Oct 13, 2004), accessible at: [http://www.gwytb.gov.cn/en/Special/OneChinaPrinciple/201103/t20110317\\_1790114.htm](http://www.gwytb.gov.cn/en/Special/OneChinaPrinciple/201103/t20110317_1790114.htm); "Hu's Speech on Peaceful Development of Cross-Strait Relations, Delivered on the 30th Anniversary of the Message to the Compatriots of Taiwan," (Dec 31, 2008), accessible at: [http://www.gwytb.gov.cn/en/Special/Hu/201103/t20110322\\_1794707.htm](http://www.gwytb.gov.cn/en/Special/Hu/201103/t20110322_1794707.htm). See also "Hu's Report to the 18th CCP Party Congress," (Nov 17, 2012), accessible at: [http://news.xinhuanet.com/english/special/18cpcnc/2012-11/17/c\\_131981259\\_11.htm](http://news.xinhuanet.com/english/special/18cpcnc/2012-11/17/c_131981259_11.htm).

China (ROC), two areas,” not only resonates with Washington’s policy stance, but also provides the basis of peaceful rapprochement between Taipei and Beijing. Despite his “princeling” background and seemingly more nationalistic orientations, XI Jinping has also pledged to continue HU Jintao’s peaceful development strategy in cross-strait relations. Finally, Chapter IV will conclude by summarizing the main arguments and assessing the future direction of U.S.-China-Taiwan relations.

## II. US STRATEGIC AMBIGUITY POLICY IN THE TAIWAN STRAIT: A LONGSTANDING COMMITMENT<sup>2</sup>

This chapter seeks to explain why, in light of China’s emerging global influence in the post-Cold War era and the early twenty-first century, the Bill Clinton, George W. Bush, and Barack Obama administrations have consistently pursued a policy of strategic ambiguity to cope with the Taiwan Strait conflict. Indeed, American leaders, in the words of Michael Swaine, have walked “a fine line between, on the one hand, the legal obligation to provide Taiwan with the means to defend itself against Chinese coercion and to remain militarily prepared to come to Taiwan’s assistance if necessary, and, on the other hand, the need to sustain Beijing’s belief that the United States does not support Taiwan’s independence and remains open to the possibility of a peaceful reunification.”<sup>3</sup>

Washington has long adamantly insisted, in the three U.S.-PRC Joint Communiqués of 1972, 1978, and 1982, the Taiwan Relations Act of 1979, and the Six Assurances of 1982, that cross-strait conflict must be resolved through a consensual and non-coercive process.<sup>4</sup> According to Richard Bush and Alan Romberg, “The goal

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2. Part of this chapter is taken and expanded from Dean P. Chen, *U.S. Taiwan Strait Policy: The Origins of Strategic Ambiguity* (Boulder, CO: Lynne Rienner Publishers, 2012), especially Ch. 2, and Dean P. Chen, “Engaging China while Defending Taiwan: Strategic Ambiguity under the Clinton, Bush, and Obama Administrations,” *Southwestern Journal of International Studies* 5, no.1 (Fall 2012), pp. 123-156.

3. Michael Swaine, *America’s Challenge: Engaging a Rising China in the Twenty-First Century* (Washington DC: Carnegie Endowment for International Peace, 2011), pp. 85-86.

4. Alan Romberg, *Rein in at the Brink of the Precipice: American Policy toward Taiwan and U.S.-PRC Relations* (Washington DC: The Henry L. Stimson Center, 2003); Richard Bush, *At Cross Purposes: U.S.-Taiwan Relations since 1942* (New York: M.E. Sharpe, 2004). See also Dennis V. Hickey, “America’s Two-Point Policy and the Future of Taiwan,” *Asian Survey* 28, no. 8 (August 1988), pp. 881-896; and Andrew Nathan,

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since the mid-1950s has been the maintenance of peace and stability in the Strait, including through the peaceful resolution of issues between Beijing and Taipei.”<sup>5</sup> Nonetheless, the puzzle raised is that a peaceful resolution could also be settled through an American “strategic clarity” position which may include opting out of the Taiwan Strait conflict; persuading Taipei to accept Beijing’s peaceful reunification plan; or simply providing clearer and more absolute defense commitments to Taiwan under all circumstances.<sup>6</sup> For example, to counterbalance against a rising China, the United States could use its military superiority to strengthen its defense support for Taiwan even if the latter decides to declare independence. However, while this course of action would convince Beijing of America’s resolve in assisting Taiwan and to accept the island’s permanent separation, it also runs the high risk of triggering an all-out war between U.S. and the PRC, thus bringing irreparable harm to their long-term relationship.<sup>7</sup>

In contrast, since Taiwan has always been a major flash point in Sino-American relationship, supporting reunification or demonstrating a firmer opposition against Taiwanese independence could be a viable option for Washington to better consolidate its ties with Beijing.<sup>8</sup> Certainly, abandoning Taiwan may appear as if the U.S. is trying to appease an authoritarian power and place America’s credibility with other Asian allies in jeopardy.<sup>9</sup> But, if international politics is about interactions of the great powers, then the costs of sacrificing a smaller ally may be less than the benefits of maintaining a stable relationship between the major states.<sup>10</sup> One most widely cited explanation for America’s strategic ambiguity policy is

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“What’s Wrong with American Taiwan Policy,” *The Washington Quarterly* 23, no.2 (Spring 2000), pp. 93-106.

5. Richard Bush and Alan Romberg, “Cross-Strait Moderation and the United States—A Response to Robert Sutter,” *PACNET* no. 17A (March 12, 2009), p. 1.

6. Nancy Tucker, “Strategic Ambiguity or Strategic Clarity?” pp. 205-211; Nancy Tucker, “China-Taiwan: U.S. Debates and Policy Choices,” *Survival* 40, no.4 (Winter 1998-99), pp. 150-167; Richard Bush, *Untying the Knot*, pp. 258-264.

7. See Thomas Christensen, “Posing Problems without Catching Up: China’s Rise and Challenges for U.S. Security Policy,” *International Security* 25, no.4 (Spring 2001), pp. 5-40.

8. Romberg, *Rein In at the Brink of the Precipice*, p. 14; Alan Wachman, *Why Taiwan?* (Stanford: Stanford University Press, 2007), p.114; Susan Shirk, *China, Fragile Superpower* (New York: Oxford University Press, 2008), pp. 3-4; and Nancy Tucker, *Strait Talk*, p. 1.

9. Nancy Tucker and Bonnie Glaser, “Should the United States Abandon Taiwan?” *The Washington Quarterly* 34, no. 4 (Fall 2011), pp. 32-33.

10. Kenneth Waltz, *The Theory of International Politics*, p. 97.

the domestic politics perspective which stresses that Washington's "even-handed" approach toward Taipei and Beijing results from the competing balance of interests and demands of the pro-PRC business lobbies and the congressional critics and societal groups which are hostile toward China's human rights repressions, unfair trade and exchange rates policies, and emerging security threats against the United States and other Asian allies including Taiwan, Japan, and South Korea. Nonetheless, this latter faction, consisted of human rights groups, Taiwanese independence advocates, labor unions, and hawks in both the Democratic and Republican Parties, has gained stronger political ascendancy in recent years, especially in response to China's rising economic and military clouts.<sup>11</sup> Thus, America's Taiwan Strait position should be adjusted accordingly toward a more hardline containing-China approach and a more supportive policy toward Taiwanese independence. Yet, this shift has not occurred with the growing China-skeptic sentiments.

Therefore, building on the state-centric realist approach, this author posits that while domestic congressional and interest groups politics do play important roles in shaping American foreign policy,<sup>12</sup> the management of security and military affairs remain the sole prerogative of the president and his top executive branch officials. These principal state actors, in the words of Stephen Krasner, tend to enjoy a "high degree of insulation from specific societal pressures and a set of formal and informal obligations that charge them with furthering the nation's general interests."<sup>13</sup> Specifically, American central leaders are in favor of strategic ambiguity because the policy resonates with their interpretation and understanding of U.S. national security interests toward China and Taiwan. Those interests rest on two pillars: (1) promoting China's embrace of the liberal international political and economic norms and regimes; and (2) defending Taiwan's security and de-facto autonomy to safeguard the island's democracy which could serve as guidepost to the PRC's political transformation. Consequently, as Table 2 illustrates, the United States could neither support the PRC's reunification with Taiwan nor back the island's unilateral push toward a

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11. Michael Swaine, *America's Challenge*, p 313.

12. Robert Putnam, "Diplomacy and Domestic Politics: The Logic of Two Level Games," *International Organization* 42, no. 3 (Summer 1988), pp. 427-460. See also Robert Keohane and Helen Milner, eds., *Internationalization and Domestic Politics* (New York: Cambridge University Press, 1996).

13. Stephen Krasner, *Defending the National Interests: Raw Material Investments and U.S. Foreign Policy* (New Jersey: Princeton University Press, 1978), p. 11.

formal independence, as they could lead to a rallying of Chinese nationalist sentiments and the strengthening of the CCP’s ruling legitimacy.

U.S. Liberal Objectives in the Taiwan Strait	U.S. Policy Options in the Taiwan Strait			
	Staying out	Pressing Reunification with the PRC	Supporting Taiwan	Strategic Ambiguity
Taiwan’s Freedom and Autonomy	No	No	Yes	Yes
China’s Democratization	No	Yes/No	No	Yes/No

**Table 2: U.S. Taiwan Strait Policy Options and Implications**

Strategic ambiguity, in short, is an ambiguous *means* toward the unambiguous *end* of engaging China, promoting its political and economic liberalization, and creating a peaceful and consensual resolution of the Taiwan Strait conflict. It is important to note that Beijing and Taipei each perceives Washington’s ambivalent stance as opportunistic and calculating. While the PRC views America as implicitly encouraging Taiwanese independence to keep China divided and weak,<sup>14</sup> Taiwan feels that the United States may sacrifice the island’s democratic and security interests to pacify Beijing.<sup>15</sup> These mutual suspicions are likely to fuel misperceptions and escalate conflicts, which could plunge the United States, China, and Taiwan into a war that would be highly detrimental to international and regional stability. Thus, an examination of Washington’s national interest in pursuing strategic ambiguity would contribute to a clearer appreciation of America’s intention and, hopefully, reduce miscalculations from both Taipei and Beijing in managing cross-strait relations.

This chapter is organized as follows: Section 1 briefly discusses how the Clinton, Bush, and Obama administrations have, in following closely with America’s liberal images toward China, defined national interests in terms of engaging the PRC to ensure its peaceful rise and to foster greater liberalization and opening of China’s political system. Simultaneously, Washington must also hedge against China’s potential revisionist behaviors and policies. The Obama

14. Alan Wachman, *Why Taiwan?* pp. 114-115. See also Andrew Nathan and Andrew Scobell, *China’s Search for Security* (New York: Columbia University Press, 2012).

15. Nancy Tucker, *Strait Talk*, pp. 5-6.

administration's "pivot" or "rebalancing to the Asian Pacific" strategy serves these twin purposes of engagement and hedging. Section 2 examines the theory of pivotal deterrence and strategic ambiguity, showing how that policy has enabled the U.S. to maintain peace and stability between Taipei and Beijing. This pattern is demonstrated in the Taiwan Strait crisis of 2003-06. In a similar vein, the Obama White House has continued the U.S. commitment to sell arms to Taiwan and signaled, during the island's 2012 presidential elections, its support for MA Ying-jeou's China policy. Moreover, strategic ambiguity is an important pillar of the Obama administration's overarching "Asian pivot" strategy. Section 3 demonstrates that despite challenges posed by congressional pressure and domestic interests, all three administrations have shown unwavering adherence to strategic ambiguity because it complements Washington's overarching engagement plus hedging policy towards China. Lastly, Section 4 summarizes the key arguments in this chapter.

#### **A. America's National Interests in a Liberal and Open China**

The United States' strategic culture or "liberal exceptionalism" has impelled leaders to set foreign policies as either an internationalist crusade to transform "decadent aliens" in its own image or, as a splendid isolationism, to simply avoid any interactions with those radical and unintelligible forces.<sup>16</sup> Indeed, more than a half century ago, Harold Isaacs provided a trenchant and illuminating analysis about America's perceptions of China:

Thus, advancing or receding but somewhere always in view, our concepts of China have included both a sense of almost timeless stability and almost unlimited chaos. Our notions of Chinese traits have included sage wisdom and superstitious ignorance, great strength and contemptible weakness, immovable conservatism and unpredictable extremism, philosophic calm and explosive violence. Our emotions about the Chinese have ranged between sympathy and rejection, parental benevolence and parental exasperation, affection and hostility, love and a fear close to hate.<sup>17</sup>

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16. Louis Hartz, *The Liberal Tradition in America* (New York: HBJ Book, 1955).

17. Harold Isaacs, *Scratches on Our Minds: American Images of China and India* (New York: The John Day Company, 1958), p. 64.

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Notwithstanding the changing times and circumstances in Sino-U.S. relations, these “scratches” have been deeply ingrained in the cognitive mindsets of U.S. policymakers.<sup>18</sup> The underlying theme that connects these mixed “love-hate” feelings toward China is America’s perpetual hope and failure to transform it into a modern democracy.<sup>19</sup> David Shambaugh aptly sums up, “[T]he sense of American exceptionalism and paternalism towards China remained deeply ingrained in the American psyche. America sought to ‘shape’ China’s evolution in directions that are politically, economically, culturally, intellectually, and strategically commensurate with liberal American traditions and interests. But, China’s stubborn resistance to ‘conform’ to American expectations has caused repeated disillusionment in the United States.”<sup>20</sup>

Thus, in the turbulent twentieth century, Washington unsuccessfully sought to remake CHIANG Kai-shek’s China into a strong, united, and democratic power. During Mao’s radicalism between 1949 and 1972, America’s liberal dream for China vanished altogether and was replaced by a sense of frustration and antagonism against a “red menace.”<sup>21</sup> However, the U.S. found solace in their support and protection of the “free China” on Taiwan which later became a liberal democracy. The 1970s and 80s witnessed the amelioration of tensions between Washington and Beijing. DENG Xiaoping’s market liberalization reform resurrected the old optimism toward China’s Open Door. However, negative images resurfaced soon after Beijing’s brutal crackdown of the Tiananmen Square demonstrations on June 3-4, 1989, raising attention to the

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18. Warren Cohen, “American Perceptions of China, 1789-1911,” in Carola McGiffert, ed., *China in the American Political Imagination* (Washington DC: The CSIS Press, 2003), pp. 25-30. See also Michael Hunt, *Ideology and U.S. Foreign Policy* (New Haven: Yale University Press, 1987).

19. Nancy Tucker, “America First,” in Carola McGiffert, ed., *China in the American Political Imagination*, pp. 18-19.

20. David Shambaugh, “Tangled Titans: Conceptualizing the U.S.-China Relationship,” in David Shambaugh ed., *Tangled Titans: The United States and China* (Lanham, MD: Rowman & Littlefield, 2012), p. 7.

21. Terrill E. Lautz, “Hopes and Fears of 60 Years: American Images of China, 1911-1972,” in Carola McGiffert, ed., *China in the American Political Imagination* (Washington DC: The CSIS Press, 2003), pp. 31-37. For a good explanation on the image of “red menace,” see Evelyn Goh, *Constructing the U.S. Rapprochement with China, 1961-1974* (New York: Cambridge University Press, 2005), pp. 17-45.

PRC's suppression of human rights and intransigence against democratization.<sup>22</sup>

Indeed, as will be elaborated in Chapter III, in the wake of the Soviet demise in the early 1990s, China's rising stature led many in Washington to view the PRC as an emerging threat, requiring the United States to exert more forceful responses to "restrain and contain" Beijing's potential foreign policy revisionism.<sup>23</sup> Chinese remarkable military modernization, increasing assertiveness in territorial disputes in the East and South China Seas, and its sometimes belligerence toward Taiwan, Japan, Vietnam, and India further reinforced the impression that China harbors aggressive intent and bends toward regional hegemony that could be detrimental to U.S. national interests in the Western Pacific.<sup>24</sup> Meanwhile, attempting to assuage its regional neighbors and other concerned powers like the United States and the European Union, Beijing, in the 1990s, began its "charm offensive" and "good neighbor policy" to reach out to the international arena, to engage in multilateral and regional institutions, and to cultivate better relations with other Asian states including Japan, South Korea, and the Association of Southeast Asian Nations (ASEAN).<sup>25</sup> Furthermore, former PRC president and CCP general secretary HU Jintao had underscored China's "peaceful rise and harmonious development," striving to enhance Beijing's pragmatic engagement in world affairs and creating mutually beneficial opportunities for China and the United States and other countries.<sup>26</sup>

### *1. Coping with a Rising China: Engagement Plus Hedging*

In spite of Beijing's initiatives to construct a benign outlook, however, the Tiananmen Square massacre has "permanently affected the American psyche regarding China—i.e., one that resonates with deeply held American beliefs about democracy and

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22. James Mann, "Left, Right, Mainstream, and Goldlocks: America's Perceptions of China after 1972," in Carola McGiffert, ed., *China in the American Political Imagination* (Washington DC: The CSIS Press, 2003), pp. 38-44.

23. David Shambaugh, "Containment or Engagement of China? Calculating Beijing's Responses," *International Security* 21, no. 2 (Autumn 1996), p. 185.

24. Robert Sutter, "China's Rise and the Durability of U.S. Leadership in Asia," in Suisheng ZHAO, ed., *China and the United States: Cooperation and Competition in Northeast Asia* (New York: Palgrave Macmillan, 2008), pp. 47-48.

25. Michael Yahuda, *The International Politics of the Asia-Pacific* (New York: Routledge, 2011), pp. 264-313.

26. Robert Sutter, "China's Rise and the Durability of U.S. Leadership in Asia," p. 41.

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possibilities for political reform.”<sup>27</sup> Domestic interest groups and congressional oppositions, both Republicans and Democrats, who are critical of the PRC’s human rights record, repression of religious freedom and ethnic minorities in Tibet and Xinjiang, foreign trade and exchange rates policies, and military expansionism, frequently targeted the White House for being overly conciliatory toward China. In a sense, “bashing China” has become both a moral imperative and political expediency for domestic political opposition.<sup>28</sup>

Nonetheless, post-Cold War U.S. administrations have opted for an engagement approach<sup>29</sup> that aims to integrate China into “international rule-based regimes while at the same time maintaining open channels to press bilateral national interests.”<sup>30</sup> The emphasis on a constructive engagement, to be sure, does not mean that the United States is accommodating or conceding to Beijing’s activities that threaten the international order — quite the opposite.<sup>31</sup> An engagement policy is a “non-coercive means to ameliorate the non-status quo elements of a rising major power’s behavior [and] to ensure this growing power is used in ways that are consistent with peaceful change in regional and global order.”<sup>32</sup> Robert Sutter compares engagement to a “Gulliver strategy,” which is “designed to tie down aggressive, assertive, or other negative policy tendencies of the other power through webs of interdependence in bilateral and multilateral relationships.”<sup>33</sup> “The United States,” writes Thomas Christensen, “wishes China well, but believes that for China to do well, it will need to adjust its domestic and foreign policies in ways that will foster long-term stability and growth at home,

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27. Jean A. Garrison, “The Domestic Political Game behind the Engagement Policy,” in Suisheng ZHAO, ed., *China-U.S. Relations Transformed*, p. 142.

28. Robert Hathaway, “U.S. Domestic Politics and the China Policy Rollercoaster,” in Suisheng ZHAO, ed., *China and the United States: Cooperation and Competition in Northeast Asia* (New York: Palgrave Macmillan, 2008), pp. 64-65; and Michael Swaine, *America’s Challenge*, pp. 313-317.

29. Jean A. Garrison, “The Domestic Political Games behind the Engagement Policy,” p. 153; and Michael Swaine, *America’s Challenge*, pp. 319-325.

30. David Shambaugh, “Containment or Engagement of China?” p. 184.

31. Kenneth Lieberthal, “A New China Strategy,” *Foreign Affairs* 74, no. 6 (Nov/Dec 1995), p. 47.

32. Randall L. Schweller, “Managing the Rise of Great Powers: History and Theory,” in Alastair Iain Johnston and Robert S. Ross, eds., *Engaging China: The Management of an Emerging Power* (New York: Routledge, 1999), p. 14. See also, in the same volume, Robert Ross, “Engagement in U.S. China Policy,” p. 185.

33. Robert Sutter, *Chinese Foreign Relations*, p. 132.

and will bolster stability in international economic and political relations.”<sup>34</sup>

Thus, in order to constrain China’s potentially aggressive impulses and to shape its interests and incentives conducive to peaceful and harmonious development, Washington also practices “hedging”; maintaining American military, technological, and economic superiority and to strengthen its alliance and partnerships with other Asian states.<sup>35</sup> More importantly, this engagement plus hedging approach offers the “greatest leverage to influence the domestic evolution of Chinese society in a more liberal and open direction.”<sup>36</sup> Indeed, America’s national security interest clearly lies in “encouraging China’s evolution toward a more politically tolerant, open, and diverse society, primarily via expanded contacts with Western democracies and steady movement toward economic liberalization.” Democracy promotion has been cited by many observers, including senior U.S. officials, as a “primary or important goal underlying efforts at cooperative engagement with China since at least the early 1990s.”<sup>37</sup>

Consequently, while Bill Clinton lambasted his predecessor for cuddling the “butchers of Beijing,” the Democratic president reversed his course in 1994 and sought to construct a “strategic partnership” with Beijing to further “closer Chinese integration with the world economic and political order.”<sup>38</sup> Despite a rocky start with Beijing in the first few months of his administration, President George W. Bush soon eschewed his earlier “strategic competitor” campaign rhetoric about China and cultivated common grounds with the PRC.<sup>39</sup> In fact, Deputy Secretary of State Robert Zoellick urged Beijing, in September 2005, to assume the role of a “responsible stakeholder” to share burdens and coordinate its activities with the international community.<sup>40</sup> Though serious friction remains over China’s human rights, trade and currency policies, and lack of transparency in military modernization, significant progress in Sino-U.S. relations has been made in other fronts. Washington and Beij-

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34. Thomas Christensen, “Shaping the Choices of a Rising China: Recent Lessons for the Obama Administration,” *The Washington Quarterly* 32, no. 3 (July 2009), p. 91.

35. Robert Sutter, “China’s Rise and the Durability of U.S. Leadership in Asia,” p. 53; Michael Swaine, *America’s Challenge*, p. 8.

36. David Shambaugh, “Containment or Engagement of China?” p. 184.

37. Michael Swaine, *America’s Challenge*, p. 29, p. 282.

38. Robert Sutter, *U.S.-Chinese Relations*, p. 108.

39. Thomas Christensen, “Shaping the Choices of a Rising China,” p. 102.

40. Michael Swaine, *America’s Challenge*, pp. 57-59.

ing deepened dialogues and cooperation in managing humanitarian crises in Sudan, curbing North Korea and Iran's nuclear ambitions, controlling global warming, fighting terrorism, countering piracy off the Somali Coast, and restoring international economic stability following the 2008 global financial crisis.<sup>41</sup> On the hedging side of the equation, both the Clinton and Bush administrations also enhanced America's strategic and economic relations with other regional powers in Asia like Japan, India, Russia, and the ASEAN countries.<sup>42</sup>

## 2. Obama's "Pivot" Strategy and China's Rise

The PRC's emerging military and economic power and influence in global and regional affairs, nevertheless, have led many observers to comment that U.S.-China relations in the twenty-first century is likely to become more competitive and, even antagonistic. As U.S.-PRC security dilemma becomes more exacerbated, their "competitive coexistence" or "coopetition"<sup>43</sup> may further escalate into a zero-sum "contest for supremacy."<sup>44</sup> Such patterns of power politics fall in line with the power-transition theory, holding that the interval when a rising power approaches parity with the established power is the most unstable and prone to conflict. Hegemonic wars could ensue during this transition period, as either the predominant (or status-quo) state is likely to preemptively strike a rising (or revisionist) power or that the latter may attack first.<sup>45</sup>

Nonetheless, Sino-American rivalry also, lies in their mutually incompatible ideological and domestic political systems. Harry Harding posits that the "normative aspect" of U.S.-China competition is becoming more intensive. Whereas the United States "pays particular attention to the protection of civil and political rights and the promotion of democracy, China focuses more on economic and social rights and is willing to sacrifice or postpone the promotion of civil and political rights and democracy for the sake of economic

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41. Thomas Christensen, "Shaping the Choices of a Rising China," pp. 93-100.

42. Robert Sutter, "China's Rise and the Durability of U.S. Leadership in Asia," p. 55.

43. David Shambaugh, "Tangled Titans," pp. 19-21; and Harry Harding, "American Visions of the Future of U.S.-China Relations: Competition, Cooperation, and Conflict," in David Shambaugh, ed., *Tangled Titans*, pp. 389-407.

44. Aaron Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia* (New York: W.W. Norton, 2012).

45. See Robert Gilpin, *War and Change in World Politics*.

development and political stability.”<sup>46</sup> In a similar vein, detailing the root of acrimony between Washington and Beijing, Aaron Friedberg notes, “The fact that one is a liberal democracy while the other remains under authoritarian rule is a significant additional impetus to rivalry.”<sup>47</sup> On the contrary, if China becomes a liberal democracy, then the level of mutual trust and amity between Beijing and Washington, as well as with other democratic states, including India, South Korea, Taiwan, and Japan, would likely be enhanced.<sup>48</sup>

As a result, the U.S. goal to transform China into a liberal democracy and to prevent Beijing’s potential revisionist foreign policy behaviors are crucial factors behind its engagement plus hedging policy, and the Barack Obama administration’s “pivot” strategy is based on this similar line of logic.<sup>49</sup> Responding to China’s rise and growing assertive behavior in regional relations with Japan and ASEAN states over maritime territorial disputes in the East and South China Seas, the President, in his speech to the Australian Parliament on November 17, 2011, outlined America’s “pivot” or return to the Asian Pacific after finishing the decade-long U.S. war on terrorism in Afghanistan and Iraq. Explaining America’s interests in the region’s peace, stability, and prosperity, he remarks, “The United States has been, and always will be a Pacific nation. . . . As the world’s fastest growing region—and home to more than half the global economy—the Asia Pacific is critical to achieving my highest priority, and that’s creating jobs and opportunity for the American people. With most of the world’s nuclear power and some half of humanity, Asia will largely define whether the century ahead will be marked by conflict or cooperation.”<sup>50</sup> Then-Secretary of State Hillary Clinton summarized that American “pivot” would proceed along “six key lines of action: strengthening bilateral security alliances; deepening [U.S.] working relationships with emerging powers, including China; engaging with regional multilateral institu-

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46. Harry Harding, “American Visions of the Future of U.S.-China Relations,” p. 395.

47. Aaron Friedberg, *A Contest for Supremacy*, p. 42.

48. *Ibid.*, pp. 51-52.

49. Suisheng ZHAO, “Shaping the Regional Context of China’s Rise: How the Obama Administration Brought Back Hedge in Its Engagement with China,” *Journal of Contemporary China* 21, no. 75 (May 2012), pp. 369-389.

50. “Remarks by President Obama to the Australian Parliament,” *The White House—Office of the Press Secretary* (November 17, 2011), accessible at: <http://www.whitehouse.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament>.

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tions; expanding trade and investment; forging a broad-based military presence; and advancing democracy and human rights.”<sup>51</sup>

Certainly, China plays an essential part in prompting the administration’s renewed emphasis on the Asian Pacific region. Since coming to office in January 2009, President Obama has placed a high priority on the institutionalization of bilateral Strategic and Economic Dialogues and cultivation of “positive, constructive, and comprehensive” relations with China.<sup>52</sup> The President, according to Jeffrey Bader, welcomes “a strong, prosperous, and successful China that would play a stronger leadership role on global issues,” clearly stating that the United States has no intention to contain China, as was the case with the Soviet Union, both “because of the inherent differences between those two nations and because of the hopelessness of pursuing such a policy toward a country that was much more profoundly integrated into the global system.”<sup>53</sup> Substantiating the president’s stance, Hillary Clinton stressed that:

Some in our country see China’s progress as threat to the United States; some in China worry that America seeks to constrain China’s growth. We reject both those views. The fact is that a thriving America is good for China and a thriving China is good for America. We both have much more to gain from cooperation than from conflict. But, you cannot build a relationship on aspiration alone. It is up to both of us to more consistently translate positive words into effective cooperation—and, crucially, to meet our respective global responsibilities and obligations.<sup>54</sup>

By the same token, when meeting with Chinese Vice President XI Jinping in February 2012, President Obama reiterated the importance for China and the U.S. to “develop a strong working relation-

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51. Hillary Clinton, “America’s Pacific Century,” *Foreign Policy* (November 2011), accessible at: [http://www.foreignpolicy.com/articles/2011/10/11/americas\\_pacific\\_century](http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century). Clinton essentially coined the term “pivot” in this article. See also Mark Manyin, et al., “Pivot to the Pacific? The Obama Administration’s ‘Rebalancing’ toward Asia,” *Congressional Research Service Report for Congress* (March 28, 2012), pp. 1-29.

52. Jeffrey Bader, *Obama and China’s Rise* (Washington DC: Brookings Institution Press, 2012), p. 23.

53. *Ibid.*, p. 69. See David Shambaugh, “Containment or Engagement of China,” p. 206.

54. Hillary Clinton, “America’s Pacific Century,” *Foreign Policy* (November 2011), accessible at: [http://www.foreignpolicy.com/articles/2011/10/11/americas\\_pacific\\_century](http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century).

ship to help to bring stability, order, and security that ultimately provides a better life for both the people of the United States and the people of China.”<sup>55</sup>

At the same time, the Obama administration continues to urge Beijing to recognize the “aspirations and rights of all people” because a “deep respect for international law and a more open political system would provide China with a foundation for far greater stability and growth, and increase the confidence of China’s partners.”<sup>56</sup> Rejecting that democracy and protection of human rights are particular only to Western culture, the president has talked in length about their “universalistic” character: “These are not American rights. . . . These are human rights. They stir in every soul, as we’ve seen in the democracies that have succeeded here in Asia. Other models have been tried and they have failed—fascism, communism, rule by one man and rule by committee. And they failed for the same simple reason: They ignore the ultimate source of power and legitimacy—the will of the people.”<sup>57</sup>

In sum, Obama’s shift to Asia requires the continuation of the engagement plus hedging strategy towards China, and these rest on three core elements: (1) a “welcoming approach to China’s emergence, influence, and legitimate expanded role; (2) a resolve to see that its rise is consistent with international norms and laws; and (3) an endeavor to shape the Asia-Pacific environment to ensure that China’s rise is stabilizing rather than disruptive.”<sup>58</sup> In addition to constructing and deepening Washington’s diplomatic and economic involvement in the region, the Obama administration has signaled the strengthening of military and security ties with regional allies, including South Korea, Japan, Australia, New Zealand, India, and the ASEAN states and the redeployment of U.S. military and naval powers to the Asia-Pacific Theater. Despite cuts in the defense budgets, Secretary of Defense Leon Panetta, in June 2012, promised that the United States will maintain its military presence and superiority in the region with more “agile, flexible, and quickly

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55. “Remarks by President Obama and Vice President Xi of the People’s Republic of China before Bilateral Meeting,” *The White House—Office of the Press Secretary* (February 14, 2012), accessible at: <http://www.whitehouse.gov/the-press-office/2012/02/14/remarks-president-obama-and-vice-president-xi-peoples-republic-china-bil>.

56. *Ibid.*

57. “Remarks by President Obama to the Australian Parliament.”

58. Jeffrey Bader, *Obama and China’s Rise*, p. 7.

deployable” forces and innovative cutting-edge technology and capabilities.<sup>59</sup>

Though an in-depth discussion of Obama’s “pivot” is beyond the scope of this monograph, it is noteworthy to point out that many China experts, including Robert Ross, have voiced skepticism that the administration’s grand strategy towards the Asian Pacific could unnecessarily undermine regional stability, compound Beijing’s insecurity, and push the PRC and other Asian states into heightened confrontations.<sup>60</sup> However, this author takes the view that Washington’s reshuffling of strategic priorities and rebalancing towards Asia reflects a pragmatic response to the changing international political realities of the twenty-first century, especially since the region has become an essential global strategic and economic center. Since there is no guarantee that a more appeasing approach would assuage Beijing’s insecurity and growing belligerence, an increased U.S. military, economic, and political influence in the region would actually help deepen its traditional engagement policy toward China and enhance a stable and peaceful equilibrium. As Nathan and Scobell put it, “American interests in relation to China are uncontroversial and should be affirmed—a stable and prosperous China, peaceful resolution of the Taiwan issue, freedom of navigation in the surrounding seas, the security of Japan and other Asian allies, an open world economy, and protection of human rights.”<sup>61</sup>

## **B. The Logic of U.S. Strategic Ambiguity Policy**

The Taiwan Strait peace is also vital to Obama’s “Asian pivot” grand strategy. In his speech at the Shangri-La Dialogue in Singapore on June 2, 2012, Panetta stated: “I know that many in the region and across the world are closely watching the United States-China relationship. . . . Our effort to renew and intensify our involvement in Asia is fully compatible with the development and

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59. “Remarks by Secretary Panetta at the Shangri-La Dialogue in Singapore,” *U.S. Department of Defense—Office of the Assistant Secretary of Defense (Public Affairs) News Transcript* (June 2, 2012), accessible at: <http://www.defense.gov/transcripts/transcript.aspx?transcriptid=5049>. See also Dan Blumenthal, “The U.S. Response to China’s Military Modernization,” in Ashley Tellis and Travis Tanner eds., *China’s Military Challenge* (Seattle and Washington DC: The National Bureau of Asian Research, 2012), pp. 309-340.

60. Robert Ross, “The Problem with the Pivot: Obama’s New Asia Policy Is Unnecessary and Counterproductive,” *Foreign Affairs* 91, no. 6 (Nov/Dec 2012), pp. 70-82.

61. Andrew Nathan and Andrew Scobell, *China’s Search for Security*, p. 357.

growth of China. Indeed, increased U.S. involvement in this region will benefit China as it advances our shared security and prosperity for the future. In this context, we strongly support the efforts that both China and Taiwan have made in recent years trying to improve cross-strait relations. We have an enduring interest in peace and stability across the Taiwan Strait. The United States remains firm in the adherence to a one-China policy based on the Three Communiqués and the Taiwan Relations Act.”<sup>62</sup> Indeed, Mark Lippert, U.S. Assistant Secretary of Defense for Asia and Pacific Security Affairs, suggested that Taiwan will “play a role” in America’s rebalancing towards Asia and noted that both Washington and Taipei already had “smooth discussions” on the topic.<sup>63</sup>

As noted, strategic ambiguity helps Washington to safeguard Taiwan’s freedom and political autonomy from the PRC. An autonomous and free Taiwan, where self-determination and liberal democracy take root could act as an emulating force or impetus for China’s future democratic transition.<sup>64</sup> On the other hand, strategic ambiguity deters Taiwan from unnecessarily provoking the mainland. Heightened Chinese nationalism and an uncompromising stance on sovereignty issues have proved instrumental for CCP officials, especially the hardliners, to compete for power and legitimacy in post-Mao China.<sup>65</sup> Thus, if Taiwan rushes into formal independence, it would “retard the hope for political reform on the mainland because democracy would be associated with the breakup of the nation, and political reforms would seem like dupes or even agents of the United States and the Taiwan traitors who declared independence.”<sup>66</sup>

### 1. *Coercive Diplomacy and Pivotal Deterrence*

Strategic ambiguity is based on the application of “dual deterrence,” in which the U.S. instills uncertainty into the decision-mak-

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62. “Remarks by Secretary Panetta at the Shangri-La Dialogue in Singapore.”

63. “Taiwan Has a Role in U.S. Rebalancing Policy,” *Want China Times* (March 1, 2013), accessible at: <http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20130302000098&cid=1101>. Lipper spoke at a conference on “U.S. Rebalance,” hosted by CSIS-Georgetown on Feb 27, 2013.

64. Bruce Gilley, “Taiwan’s Democratic Transition: A Model for China?” in Bruce Gilley and Larry Diamond, eds., *Political Change in China: Comparisons with Taiwan* (Boulder: CO, Lynne Rienner Publishers, 2008), pp. 239-240.

65. Edward Friedman, “The Prospects of a Larger War: Chinese Nationalism and the Taiwan Strait Conflict,” in Suisheng Zhao, ed., *Across the Taiwan Strait*, pp.255-259. See also Shirk, *China: Fragile Superpower*, pp. 68-78.

66. Thomas Christensen, “The Contemporary Security Dilemma,” p. 19.

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ing process of both China and Taiwan. The notion “pivotal deterrence” has been coined to describe a great power’s manipulation of threats and promises to prevent war by making belligerents fear the costs and by confronting them with risks they do not want to incur.<sup>67</sup> To preserve peace and stability, the United States “must mount threats to deter the PRC from attacking Taiwan or otherwise coercing reunification, and, at the same time, it must leave open the option to abandon Taiwan in order to deflect it from declaring independence.”<sup>68</sup> More importantly, the central pivot’s leverage derives not only from its disproportionate economic and military capabilities, but also from the deep-seated animosity between the two rival states. As a result, the dominant power can more easily align with either side than they can with each other. Washington has always maintained a flexible position to move between Taipei and Beijing. For instance, exploiting the Sino-Soviet split, the United States courted China and severed its diplomatic ties with Taiwan in the 1970s. On the other hand, the collapse of the USSR and Taiwan’s democratization in the 1990s “elevated the importance of Taiwan in [the] Sino-US-Taiwan triangle.”<sup>69</sup>

But, the United States has consistently maintained strategic ambiguity by keeping its response to the Taiwan issue deliberately “shrouded in uncertainty. . .thereby moderating behavior between [China and Taiwan] and leading to a peaceful resolution.”<sup>70</sup> If Taiwan believes that it needs the United States’ support to achieve a formal independence whereas China perceives that America’s neutrality is essential to ensure reunification, then Taipei should not proclaim independence unless it is certain of American support. Beijing should not risk war unless assured that Washington will not intervene in a Taiwan Strait conflict.<sup>71</sup> “Assuming that it considers the U.S. a formidable military opponent,” in the words of Benson and Niou, “China must think twice before using military might to enforce its view that Taiwan is part of China. And, for its part, Taiwan should not take for granted that the U.S. will defend it, espe-

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67. Timothy Crawford, *Pivotal Deterrence: Third-Party State Craft and the Pursuit of Peace* (Ithaca: Cornell University Press, 2003), p. 5.

68. *Ibid.*, p. 187.

69. Lowell Dittmer, “Bush, China, Taiwan: A Triangular Analysis,” *Journal of Chinese Political Science* 10, no. 2 (Fall 2005), p. 29.

70. *Ibid.*, p. 31.

71. Timothy Crawford, *Pivotal Deterrence*, pp. 20-21.

cially if . . . the U.S. believes that Taiwan was responsible for initiating [the conflict].”<sup>72</sup>

Strategic ambiguity also has the advantage of inducing peace-making behaviors from the antagonists, who would offer concessions to win the pivot’s support.<sup>73</sup> In the wake of establishing relations with Washington in January 1979, Beijing, for the first time since 1949, replaced the concept of “liberating Taiwan” with “peaceful reunification.”<sup>74</sup> It also sought, through YE Jianying’s “Nine-Point Initiative” of September 30, 1981,<sup>75</sup> to assure Taiwan’s future status as a special administrative region with a considerable degree of political and socioeconomic autonomy. DENG Xiaoping later called the proposal “one country, two systems.” The Reagan administration commended Beijing’s efforts as conducive to fostering peace.<sup>76</sup> Likewise, in the immediate aftermath of the Taiwan Strait crisis in 1995-96, President LEE Teng-hui moderated his stance by postponing plans for live-fire military exercises in the strait and indicated that he would temporarily forgo his overseas travel as he did not want to “create trouble and bring damage to Taiwan.”<sup>77</sup> These gestures were certainly meant to curry favor from Washington, but they also generated certain levels of goodwill between Taiwan and China, thereby ameliorating tensions across the strait.

Strategic ambiguity, moreover, cannot be based solely on “sticks,” because “carrots” are also needed to assure the antagonists that the pivotal state would not sacrifice their core interests. In light of China’s strong determination to vindicate its past humiliations, Christensen has posited that “the danger to the PRC is that Taiwan might eventually move from de-facto independence to legal independence, thus posing an affront to Chinese nationalism and a

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72. Brett Benson and Emerson Niou, “Comprehending Strategic Ambiguity,” pp. 15-16. See also Lowell Dittmer, “Bush, China, Taiwan,” p. 24.

73. Timothy Crawford, *Pivotal Deterrence*, p. 22.

74. Lowell Dittmer, “Bush, China, Taiwan,” pp. 26-27.

75. Harry Harding, *A Fragile Relationship*, p. 113; Alan Romberg, *Rein In at the Brink of the Precipice*, pp. 124-125. Ye was, in 1981, the chairman of the Standing Committee of the National People’s Congress.

76. Lowell Dittmer, “Bush, China, Taiwan,” pp. 26-27.

77. Robert Ross, “The 1995-96 Taiwan Strait Confrontation,” *International Security* 25, no. 2, (Fall 2000), p. 115. See also Suisheng ZHAO, ed., *Across the Taiwan Strait*, (New York: Routledge, 1999); Allen S. Whiting, “China’s Use of Force, 1950-96, and Taiwan,” *International Security*, Vol. 26, No. 2, (Fall, 2001), pp. 103-131.

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danger to regime stability in Beijing.”<sup>78</sup> Although the PRC remains militarily inferior to the United States and such an imbalance of power is likely to persist in the foreseeable future, China could still pose serious national security threats to Washington without closing the power gap. “If Taiwan were to declare independence,” he said, “it is hard to imagine that China would forgo the use of force against Taiwan, regardless of the perceived economic or military costs.”<sup>79</sup> Hence, reassuring Beijing of Washington’s continued adherence to the one-China principle has always been part of the strategic ambiguity framework. Similarly, Washington also signals its unwavering interest in defending Taiwan’s freedom and a peaceful resolution of the cross-strait conflict.

For instance, in the aftermath of the 1995-96 Taiwan Strait crisis, the Clinton administration focused on engaging China to repair the deteriorating Sino-American relationship. Samuel Berger, Clinton’s National Security Adviser, emphasized the importance of the one-China principle, which provided the “security and stability for democratic development, economic prosperity, and burgeoning cross-strait exchanges in which Chinese on both sides of the strait could resolve their issues themselves—peacefully.”<sup>80</sup> Furthermore, Washington decided to keep Taipei at arm’s length by restricting its leaders’ visits and postponing arms sales. In the summer of 1998, Clinton openly declared the “three nos” in Shanghai, in which the United States does not support (1) two Chinas or one China, one Taiwan; (2) Taiwan’s independence; and (3) Taiwan’s membership in international organizations for which statehood is a prerequisite.<sup>81</sup> Though peace was restored in the Taiwan Strait, Beijing viewed the crisis as an impetus for China’s military modernization. Countries in East Asia, including Japan, South Korea, and ASEAN countries viewed the PRC’s hawkish reactions toward Taiwan as threatening to regional security. Hence, many sought closer alliance ties with the United States.<sup>82</sup> While actively promoting China’s accession to the World Trade Organization (WTO), Washington also perceived China’s military rise as potentially destabi-

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78. Thomas Christensen, “The Contemporary Security Dilemma,” p. 13. See also Thomas Christensen, “Posing Problems without Catching Up: China’s Rise and Challenges for U.S. Security,” *International Security*, Vol. 25, No. 4, (Spring 2001), pp. 5-40.

79. Thomas Christensen, “The Contemporary Security Dilemma,” p. 36.

80. Alan Romberg, *Rein In at the Brink of the Precipice*, pp. 179-180.

81. See Robert Ross, “The 1995-96 Taiwan Strait Confrontations,” pp. 113-115. Alan Romberg, *Rein In at the Brink of the Precipice*, p. 184.

82. Michael Yahuda, *The International Politics of the Asia Pacific*, pp. 278-281.

lizing. Thus, in July 1999, when President Lee stressed that China and Taiwan were effectively in a “special state-to-state relationship,”<sup>83</sup> the Clinton administration restated America’s support of one China to calm Beijing’s anger. But, not long after, the administration also made it “absolutely clear” that the Taiwan Strait conflicts must be resolved peacefully and with “the assent of the people of Taiwan.”<sup>84</sup>

## 2. *The Taiwan Strait Crisis of 2003-06*

In a campaign address delivered on November 19, 1999, the Republican presidential candidate George W. Bush signaled that, if elected, he would shift America’s foreign policy towards greater support for Taiwan and deal with an increasingly militarily strong China “without ill-will but without illusions.” Describing the PRC as a “strategic competitor,” Bush said, “We do not deny there is one China. But we deny the right of Beijing to impose their rule on a free people. As I’ve said before, we will help Taiwan to defend itself.”<sup>85</sup>

Indeed, concerned about China’s military modernization and the improving capabilities of the PLA, the Bush White House immediately approved the sale of a number of advanced weapons systems to Taiwan. These included Kidd-class destroyers for maritime air defense, P-3 Orion aircraft for antisubmarine warfare, diesel-powered submarines, mine-sweeping helicopters, and a mix of missiles and torpedoes.<sup>86</sup> The 2001 arms sales offer to Taiwan was the largest since 1992. More importantly, when interviewed by an ABC

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83. On July 9, 1999, in an interview with Germany’s *Radio Deutsche Welle* at Taipei, Lee rebuffed Clinton’s “three-no’s” pledge to China by declaring that cross-strait relations were in fact “special state-to-state relations.” This so-called “two states theory” invoked consternation once again in both Washington and Beijing. As a result of Lee’s new offensive, China not only launched incessant recriminations and polemical attacks against Taiwan’s leader but also canceled the scheduled visit of WANG Daohan, chairman of China’s unofficial Association for Relations across the Taiwan Strait (ARATS) to Taiwan in the fall of 1999. Since 1992, Taipei and Beijing had conducted unofficial talks in Hong Kong and Singapore through China’s ARATS and Taiwan’s Straits Exchange Foundation (SEF). The talks stalled after Lee’s July 1999 remarks and did not resume until after KMT’s return to power in June 2008.

84. Richard Bush, “The United States Role in the Taiwan Straits Issue,” speech presented at the University of Illinois at Carbondale, (December 7, 1998), accessible at: <http://www.taiwandc.org/nws-9867.htm>.

85. Bush’s quote is taken from Andrew Wedeman, “Strategic Ambiguity and Partisan Politics,” *Cambridge Review of International Relations* 14, no. 2 (2001), p. 234.

86. Bruce J. Dickson, “New Presidents Adjust Old Policies: U.S.-Taiwan Relations under Chen and Bush,” *Journal of Contemporary China* 11, no. 3, (2002), pp. 645-656.

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News reporter on April 25, 2001, regarding America's obligation to defend Taiwan against China, the president firmly responded, "Yes, we do, and the Chinese must understand that. . . [The United States would do] whatever it took to help Taiwan defend herself."<sup>87</sup> The Bush administration clearly infuriated Beijing and aroused criticisms from many interested observers, who argued that such an obvious tilt toward Taiwan would unnecessarily exacerbate tensions across the Taiwan Strait.<sup>88</sup>

Bush's pro-Taiwan orientation encouraged the new DPP administration in Taipei to embrace greater independence. However, CHEN Shui-bian initially opted for moderation when taking office in May 2000. Winning only 39 percent of the vote, Chen knew his narrow plurality victory was due to the KMT's internal split.<sup>89</sup> Thus, in his inauguration speech, he tried to assure China and the United States in his "4 nos and 1 shall not" proclamation even though Beijing calmly stated that it would be "listening to what he says and observing what he does."<sup>90</sup> Moreover, during the first two years of his administration, the new president actually tossed out Lee's protectionist cross-strait economic policy and supported, instead, gradual liberalization.<sup>91</sup> Nonetheless, as Beijing continued to turn a cold shoulder to Taipei's friendly gestures, Chen grew impatient and, sensing the political discontent of his diehard independence (deep green) supporters, moved toward a more hardline policy.<sup>92</sup> On August 3, 2002, in a telecast speech made during the annual meeting of the World Federation of Taiwanese Associations, Chen energized his pro-independence comrades and enunciated

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87. Ted Galen Carpenter, "Going Too Far: Bush's Pledge to Defend Taiwan," *CATO Institute Foreign Policy Briefing*, no. 66, (May 30, 2001), p. 2.

88. Ibid; See also Robert Ross, "Navigating the Taiwan Strait: Deterrence, Escalation Dominance, and US-China Relations," *International Security* 27, no.2, (Fall 2002), pp. 48-85.

89. Scott Kastner, *Political Conflict and Economic Interdependence across the Taiwan Strait and Beyond*, p. 61.

90. Chen's "4 nos and 1 shall not" refers to that under the condition that the PRC has no intention to use military force against Taiwan, his administration will not (1) declare independence, (2) change the national (ROC) title, (3) push forth the inclusion of Lee's "special state-to-state" theory into the constitution, and (4) promote a referendum to change the status quo in regards to the question of independence or unification. Finally, Chen pledged that he "shall not" abolish the Guidelines for National Unification and the National Unification Council (political institutions symbolic for a possible future reunification with Mainland China). See Nancy Tucker, *Strait Talk*, p. 254.

91. Scott Kastner, *Political Conflict and Economic Interdependence across the Taiwan Strait and Beyond*, p. 61.

92. Ibid., pp. 72-73.

that there is “one country on either side” of the Taiwan Strait. As the 2004 presidential elections loomed, the Chen administration, in late 2003, provoked a new crisis over the president’s defensive referendum initiatives, which proposed holding a plebiscite to decide Taiwan’s national title, anthem, flag, constitution, and sovereignty. Beijing saw these actions as tantamount to an explicit declaration of independence.<sup>93</sup>

To President Chen’s surprise, however, the Bush administration rendered him a severe blow. With China’s premier WEN Jiabao standing by his side, President Bush, in December 2003, openly rebuked Chen’s moves, declaring “the comments and actions made by the leader of Taiwan indicate that he may be willing to make decisions unilaterally to change the status quo, which we oppose.”<sup>94</sup> As the Bush administration was restraining Taipei from overstepping the red line, Chen remained unyielding after winning his razor-thin second term. In February 2006, for example, the DPP government effectively backtracked from its “4 nos and 1 shall not” promise by declaring that the National Unification Guideline would “cease to apply,” and the National Unification Council would “cease to operate.”<sup>95</sup> Though the Taiwan leader justified his actions by citing China’s Anti-secession Law of March 2005<sup>96</sup> and the PLA’s increasing deployment of short and medium range missiles across the strait, Washington expressed frustration over what it viewed as Taipei’s callousness and irresponsibility.<sup>97</sup> After failing to get Taipei to retract its announcement, the U.S. State Department issued a statement, expressing American “understanding” that the “announcement did not abolish the council, did not change the status quo, and that Chen’s previous assurance remains intact.”<sup>98</sup> When Chen sought to call for another referendum on Taiwan’s membership in the UN, the Bush administration called that “a step toward a declaration of independence.”<sup>99</sup> Deputy Undersecretary of State Richard Armitage strictly warned that the TRA

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93. Nancy Tucker, *Strait Talk*, p. 267.

94. Richard Bush, *Untying the Knot*, p. 251.

95. Susan Shirk, *China: Fragile Superpower*, pp. 209-210; Scott Kastner, *Political Conflict and Economic Interdependence across the Taiwan Strait and Beyond*, p. 36.

96. Nancy Tucker, *Strait Talk*, p. 270.

97. *Ibid.*, p. 278.

98. Quote is taken from Susan Shirk, *China: Fragile Superpower*, p. 209.

99. Quote taken from Dennis Hickey, “Rapprochement between Taiwan and the Chinese Mainland,” p. 235.

did not require the United States to defend Taiwan.<sup>100</sup> President Chen eventually backed down.<sup>101</sup>

While it may be correct to attribute Washington's readjustment to the changing "international strategic settings" after September 11th,<sup>102</sup> it would be more accurate to suggest that Bush was merely continuing a long-time U.S. policy approach toward the Taiwan Strait: strategic ambiguity. Mann argued, "The practical significance of Bush's 'whatever it takes' declaration [in April, 2001] was open to question. [The president] had indicated that the United States would come to Taiwan's defense if it were attacked; [yet] he had left unclear what the United States would do if war broke out under other circumstances. . . . [It] was these blurry situations that the policy of strategic ambiguity had been intended to cover."<sup>103</sup> Romberg also observed that Bush's Taiwan Strait policy "has almost totally embraced that of President Clinton, including the 'three no's,' even though he would never mouth those words."<sup>104</sup> In any event, Bush remained supportive of Taiwan's democracy and peaceful initiatives across the strait. Shortly after MA Ying-jeou's election in March 2008, the president praised Taiwan's democracy "as a beacon in Asia and the world."

### 3. *The Obama Administration and Strategic Ambiguity*

As will be discussed in greater details in Chapter III, on the basis of the "1992 consensus," cross-strait tensions have greatly subsided, as China's leaders also promised to charter a peaceful development approach toward Taiwan. Meanwhile, President Obama has, by and large, continued the "balancing act that is at the center of U.S. policy toward Taiwan, reiterating the standard mantra involving support for the three communiqués with Beijing, the Taiwan Relations Act, and opposition to any unilateral changes in the status quo while publicly encouraging the overall trend toward better cross-strait relations under the KMT government in Taipei."<sup>105</sup>

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100. Ibid., 271.

101. John Copper, "The Taiwan Factor in U.S.-China Relations," in Susheng ZHAO, ed., *China and the United States*, 179-184.

102. See Jiemian YANG, "Sino-U.S. and Cross-Strait Relations under the Post 11 September Strategic Settings," *Journal of Contemporary China* 11, no. 33, (2002), pp. 657-672.

103. James Mann, *Rise of the Vulcans* (New York: Penguin Books, 2004), p. 285.

104. Alan Romberg, *Rein In at the Brink of the Precipice*, p. 202.

105. Michael Swaine, *America's Challenge*, p. 88.

In his visit to China in November 2009, the president declared, "I am very pleased with the reduction of tensions and improvement in cross-strait relations, and it is my deep desire and hope that we will continue to see great improvement between Taiwan. . . and the People's Republic in resolving many of these issues."<sup>106</sup> Vice President Joseph Biden also made similar remarks when visiting Beijing in August 2011, as he reiterated U.S. nonsupport for Taiwan independence and the hope that cross-strait relations would continue to move forward.<sup>107</sup> However, concerned about China's growing political and economic leverage over Taiwan, the Obama administration also wanted the cross-strait rapprochement to be carried out in a secure and stable context, and approved a \$6 billion arms package for Taiwan in February 2010, and as well as a \$5.85 billion deal in September 2011.<sup>108</sup> Essentially, though Washington is pleased about cross-strait détente, there are also growing anxieties that Taiwan's security could be compromised and that MA Ying-jeou's government may be conceding too much to Beijing for the sake of improving cross-strait economic relations.<sup>109</sup> While the Obama administration breathed a sigh of relief when Ma won a solid reelection victory in January 2012, the White House was also relieved when the KMT leader pledged that he would not rush into any po-

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106. President Obama's quote is taken from Dennis Hickey, "Rapprochement between Taiwan and the Chinese Mainland," p. 239.

107. David G. Brown, "Progress Slow as Taiwan Campaign Begins," *Comparative Connections* 13, no. 2, (September 2011), pp. 3-4.

108. The February 2010 arms sales package approved by Obama contained 114 Patriot missiles, 60 Black Hawk helicopters, Harpoon missiles, and min-hunting ships. The packages approved by Bush and Obama administrations, in 2008 and 2010 respectively (totalled \$13 billion), had generated strong criticism from Beijing and even led to brief suspensions of military contacts in 2008-09 and 2010. In late 2010, China resumed military talks with the United States. The Obama administration, throughout the spring of 2011, delayed the decision of selling the more capable and advanced F-16 C/D fighter jets to Taiwan lest that this sensitive issue would obstruct HUu Jintao's visit to Washington in January 2011 and other pertinent U.S.-China issues. At the same time, Washington continued on strategic contingency planning in order to cope with actual or possible negative consequences of an assertive China in regional and world politics. The revelation of China's testing of its' first stealth fighter, J-20, the deployment of DF-16 missiles, and first aircraft carrier further suggest the urgency of strengthening Taiwan's military defense and air-deterrent capabilities. In October 2011, the Obama administration finally decided to upgrade Taiwan's existing F-16 A/B jets and postponed the sale of F-16 C/Ds till later times. But, in early May 2012, Washington signaled once again that it is considering of selling the F-16 C/Ds to Taiwan. See Michael Swaine, *America's Challenge*, pp. 88-89.

109. Robert Sutter, "China's Power and the Fading U.S. Goal of "Balance" in the Taiwan Strait," *Asia Policy*, no. 8, (July 2009), pp. 3-9.

litical negotiations with Beijing without Taiwan's popular consent.<sup>110</sup>

### C. Domestic Politics and the Making of China Policy

After the Cold War, due to the reduction of global security tensions, there has been “a shift away from the elitism of the past and toward much greater pluralism in foreign policymaking.”<sup>111</sup> Hence, congressional and interest groups influence over the China-Taiwan policy have become more pervasive in Washington.

In general, American domestic political actors concerned with the Taiwan Strait policy can be distinguished by two prominent antithetical schools of thought.<sup>112</sup> The first, impressed by China's growing economic opportunities, advocates for engagement in order to guide Chinese power into channels of international activity compatible with American commercial interests. These neoliberals believe that “trends in China are moving inexorably in the ‘right’ direction—that China is increasingly interdependent economically with its neighbors and their advanced industrial economies and thus increasingly unlikely to destabilize these relationships.”<sup>113</sup> As a result, U.S. policymakers should side with Beijing when handling policy regarding Taiwan. In contrast, the neoconservatives, while acknowledging China's incredible economic achievements, insist that the CCP leaderships still perceive the world as a zero-sum environment. Beijing is merely biding its time. It “conforms to many international norms to build its economic and technological strength,” but “once it succeeds with economic modernization, the PRC will not sacrifice nationalistic and territorial ambitions for economic stability.”<sup>114</sup> Rather than engaging China, Washington should rely upon resolute military power as a counterweight to this potential Asian hegemon, remain vigilant in dealing with economic and security conflicts, and work closely with traditional allies and friends in the Asian Pacific.

As mentioned earlier, for both moralistic considerations and political calculations, the U.S. Congress is generally holding a harsh or punitive stance against China. “The American political system,”

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110. Dean P. Chen, *U.S. Taiwan Strait Policy*, pp. 257-259.

111. Robert Sutter, *U.S. Policy toward China: An Introduction to the Role of Interest Groups* (Lanham, MD: Rowman & Littlefield, 1998), p. 11.

112. Aaron Friedberg, “The Future of U.S.-China Relations: Is Conflict Inevitable?” *International Security* 30, no.2 (Fall 2005), pp. 7-45.

113. Robert Sutter, *U.S. Policy toward China*, p. 15.

114. *Ibid.*, p. 16.

Robert Hathaway writes, “offers few benefits for supporting good relations with Beijing, but many rewards for taking a tough approach toward China.”<sup>115</sup> Indeed, Congressional members, be they Republican or Democrat, tend “to rely on negative inducements when dealing with China because it has relatively few carrots in its arsenal. Moreover, public attention — and hence congressional attention — is often most significantly stimulated by negative economic, military, and human rights behavior (actual or alleged) on the part of China, thus prompting calls for some form of retaliation or pressure on Beijing.”<sup>116</sup>

### 1. *The Clinton Administration and Domestic Politics*

Major business coalitions, together with some neoliberal congressional members, have been pushing for the “trade-at-any-price approach.”<sup>117</sup> Since the early 1980s, when Sino-American bilateral trade started to grow, this so-called “business China lobby” has endeavored to ensure that the United States would continue to grant most favored nation (MFN) tariff treatment to China.<sup>118</sup> However, given Beijing’s negative international image in the aftermath of Tiananmen, the business community tended to keep a low profile.<sup>119</sup> But, by the mid-1990s, the business community once again revived its vigorous lobbying campaign. The Clinton administration, which initially favored a tougher China policy, yielded to the business groups by “de-linking” China’s MFN status from the human rights conditions attached by Congress in 1994 and at last granting a permanent normal trade relation (PNTR) to PRC in May 2000.<sup>120</sup>

Starting in the mid-1980s, however, many interest groups, critical of Washington’s cordial relationship with the PRC, have been established, among which are human rights groups, nonproliferation advocates, and pro-Taiwan-Tibet lobbyists.<sup>121</sup> Many of these groups were pivotal forces in 1995 when Congress overwhelmingly

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115. Robert Hathaway, “U.S. Domestic Politics and the China Policy Rollercoaster,” in Susheng ZHAO, ed., *China and the United States*, p. 68.

116. Michael Swaine, *America’s Challenge*, p. 313.

117. Kerry Dumbaugh, “Interest Groups: Growing Influence,” in Ramon Myers, Michel Oksenberg, and David Shambaugh, eds., *Making China Policy: Lessons from the Bush and Clinton Administrations* (Lanham, MD: Rowman & Littlefield, 2001), p. 116.

118. Harry Harding, *A Fragile Relationship*, p. 210.

119. Kerry Dumbaugh, “Interest Groups: Growing Influence,” p. 137.

120. *Ibid.*, p. 138.

121. Ramon Myers and David Shambaugh, “Introduction: the Legacy of U.S. China Policy, 1989-2000,” p. 11.

passed a resolution urging Clinton to invite LEE Teng-hui to the United States for his Cornell reunion.<sup>122</sup> Furthermore, in 1994, the Taiwan Research Institute, financed by the KMT, signed a “three-year, \$4.5 million contract with Cassidy & Associates, a prominent Washington lobbying firm,” which, in turn, successfully lobbied the House Speaker Newt Gingrich to endorse the idea of a visit to the U.S. by the Taiwanese president.<sup>123</sup> In early May 1995, the House approved by a startling margin of 395 to 0, a nonbinding resolution calling on the Clinton administration to permit Lee to make a private visit to Cornell. A week later, the Senate passed a similar non-binding resolution, 97 to 0.<sup>124</sup> The granting of the visa, nonetheless, stirred unease in the business community, fearing that Lee’s visit could “damage the relationship between the U.S. and China, which would then affect American businesses.”<sup>125</sup>

As a result, when legislation or resolution pertinent to Taiwan is called up, it “may touch off a struggle between, on the one hand, supporters of Taiwan who urge Congress to come to the defense of Taiwan’s democracy and, on the other hand, the American business community, which may plead with Congress not to disturb U.S. ties with the PRC.”<sup>126</sup> Strategic ambiguity could very well be the unintended consequence of such political wrangling between the White House, Congress, and interest groups.

## 2. *The Bush Administration and Domestic Politics*

President Bush and his more hawkish administration officials treated China “as probably the single most serious foreign policy challenge of the coming decades.”<sup>127</sup> Their conception of the Taiwan Strait policy—more extensive American arms sales and a greater security commitment to Taiwan—is largely consistent with the stance of the neoconservatives and the Taiwan lobby.<sup>128</sup> When Bush authorized the letter of regret to Beijing over the EP-3 plane incident in 2001, many neoconservatives and congressional Republicans were outraged, charging that the president had “brought a profound national humiliation upon the United States.”<sup>129</sup>

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122. Kerry Dumbaugh, “Interest Groups: Growing Influence,” p. 140.

123. James Mann, “Congress and Taiwan: Understanding the Bond,” p. 207.

124. *Ibid.*, p. 208.

125. *Ibid.*, p. 216.

126. Robert Sutter, *U.S. Policy toward China*, p. 73.

127. James Mann, *Rise of the Vulcans*, p. 283.

128. *Ibid.*, pp. 232-233.

129. *Ibid.*, p. 284.

Thus, the president's "whatever it takes" statement was meant to ameliorate the strained relations between the neoconservatives and the White House. The president also understood the importance of liberal engagement with the PRC, because the Republican Party has always enjoyed strong backing from the business interest groups. Thus, while often sympathizing with Taiwan, President Bush "had not allowed any daylight to emerge between himself and the Clinton administration on the central issue of trade with China."<sup>130</sup>

### 3. *The Primacy of National Security Interests over Domestic Politics*

Through the entanglement between international and domestic politics — the so-called "two-level games" — are important determinants of foreign policy outcome, it is fair to argue that domestic political institutions and interest coalitions have greater intervening roles on issues pertaining to foreign economic policies such as trade and finance.<sup>131</sup> The chief executive leaders, however, tend to enjoy far greater policy latitude in the realm of national security affairs requiring a high-degree of secrecy and swift responses in order to prevail.

Since the early Cold War years, U.S. policymakers have treated the Taiwan-China problem as a serious national security matter that needed to be guarded against domestic politics and capricious societal sentiments.<sup>132</sup> Indeed, crisis situations dissolved "many of the entrenched interests that had kept policy stalemated and allowed political leaders to reconstitute a more coherent set of policies."<sup>133</sup> After the 1995-96 Taiwan Strait crisis had seriously debilitated Sino-American relations, the Clinton administration initiated a series of reconciling overtures to the PRC. The president's more direct involvement and centralized oversight over the China policy also helped to send a clear message to domestic critics that engaging China was about America's "national interest."<sup>134</sup> At the same time, Clinton's commitment to Taiwan's freedom and democracy

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130. Ibid., p. 284.

131. Ronald Rogowski *Commerce and Coalitions: How Trade Affects Domestic Political Alignments* (New Jersey: Princeton University Press, 1989).

132. Nancy Tucker, *Strait Talk*, p. 4; see also Dean P. Chen, *U.S. Taiwan Strait Policy*, pp. 3-5.

133. Jeff Frieden, "Sectoral Conflict and Foreign Economic Policy," p. 62.

134. Jean A. Garrison, "The Domestic Political Game behind the Engagement Strategy," p. 148.

remained strong as he frequently cautioned Beijing to respect the democratic choices of the Taiwanese people.

In spite of his personal sympathy toward Taiwan, President Bush saw that America's national interests rested squarely on the continuation of engaging China, and this was especially true after September 11th. The president, in fact, "didn't want to hear any more from those who wanted to focus on China as the enemy. He wanted friends and coalitions, not distractions."<sup>135</sup> Therefore, when meeting with President JIANG Zemin in Shanghai in October 2001, Bush said that the United States "seeks a relationship with China that is candid, constructive, and cooperative," and emphasized how much he appreciated that China's supportive response to the September 11th terrorist attacks came "immediately and with no hesitation and no doubt."<sup>136</sup> Hence, to underscore America's "strategic partnership" with China, Bush repudiated Taiwan's referendum plan in late 2003 and sternly urged CHEN Shui-bian to restrain his provocative China policy in 2006. Despite Bush's harsher attitude toward Taipei, his administration approved additional arms sales to Taiwan in late 2008 to signal America's persistent support of the island's defense.

#### 4. *The Obama Administration and Domestic Politics*

By the same token, the Obama administration has also faced a similar domestic logjam in its China policy. In fact, then-Secretary of State Clinton was targeted for her alleged remarks during her visit to China in February 2009, that the United States should sideline human rights and focus on solving major global issues with China.<sup>137</sup> During the 2012 presidential election cycle, Mitt Romney's campaign offensive was also forceful, accusing the White House for being overly soft on Beijing.

Despite improvement in China-Taiwan relations, the U.S. arms sales to Taiwan remained a contentious issue and continued to capture attention from congressional members. In early May 2012, the Obama White House reversed its earlier course and revealed that it might be selling the more sophisticated F-16 C/D jets to enhance Taiwan's air power. This change of heart was probably due to elec-

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135. Michael Swaine, *America's Challenge*, p. 55.

136. The quote is taken from Scott Kennedy, ed., *China Cross Talk: The American Debate over China Policy since Normalization* (Lanham, MD: Rowman & Littlefield, 2003), p. 281.

137. Jeffrey Bader, *Obama and China's Rise*, pp. 15-16.

tion year politics and to placate congressional Republicans.<sup>138</sup> Nevertheless, the Obama administration has never deviated away from strengthening America's national security interests in the Taiwan Strait. Jeffrey Bader notes that "the growing disparity between the militaries on the two sides meant it was increasingly unrealistic to think the United States could provide Taiwan with weapons sufficient for its defense." Hence, U.S. arms sales were meant to fulfill the national security imperatives of "providing Taiwan with the wherewithal to withstand a Chinese attack long enough for U.S. assistance to turn the side," and of demonstrating a credible commitment to the security of both Taiwan and other Asian allies.<sup>139</sup> The administration's strategic goal is to buttress Taiwan's confidence when dealing with an assertive China and to avoid widening an asymmetrical military balance between Taipei and Beijing.

Furthermore, Obama's commitment to strategic ambiguity is also revealed by the president's selection of John Kerry as his new Secretary of State in his second-term. As a seasoned veteran in foreign affairs, the former senator has been a long supporter of Washington's strategic ambiguity policy in the Taiwan Strait. In 2001, Kerry posited,

A consistent tenet of this [strategic ambiguity] policy is the U.S. expectation that the question of reunification of China and Taiwan will be settled peacefully. We have never stated what the United States would do if Beijing attempted to use force to reunify the mainland. . . . We have not stated it in the course of Republican and Democrat administrations alike because we understood the danger of doing so. We have been deliberately vague about what the circumstances might be under which we would come to Taiwan's defense, not only to discourage Taiwan from drawing us in by declaring independence but also to deter a Chinese attack by keeping Beijing guessing as to what the response might be. . . . To remove strategic ambiguity runs the risk of decreasing Taiwan's security rather than increasing it and of eliminating the flexibility that we will need to determine how to respond in any given situation. . . . President Bush has said that the United States has

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138. "Arms Sales to Taiwan: Fighter-Fleet Response," *The Economist* (May 1, 2012). It can be accessed at: <http://www.economist.com/blogs/banyan/2012/05/arms-sales-taiwan>

139. Jeffrey Bader, *Obama and China's Rise*, p. 71.

an obligation to defend Taiwan. Certainly, we want to help Taiwan preserve its thriving democracy and robust economy. I have said previously that I think this is enough of a message to the Chinese, that no American President could stand idly by and watch while that democracy that has been gained is set back, by force or otherwise. Nevertheless, we need to press both Taipei and Beijing to reinvigorate the cross-strait dialogue, without any misinterpretations about our role.<sup>140</sup>

After taking office on February 1, 2013, Secretary Kerry reaffirmed that the U.S. would continue to sell arms to Taipei, adding that “supplying Taiwan with weapons to maintain adequate defense capability is in line with the Taiwan Relations Act (TRA) and the U.S.’ one-China policy.”<sup>141</sup>

#### **D. Conclusion: Should the United States Abandon Strategic Ambiguity?**

Notwithstanding Washington’s enduring commitment to strategic ambiguity, some scholars have begun to advocate for greater clarity on Washington’s Taiwan Strait policy to cope with China’s rise.<sup>142</sup> Charles Glaser has urged that Washington, in order to accommodate Beijing, should consider withdrawing from its commitment to Taiwan because the island is an “insignificant” national security interest.<sup>143</sup> Abandoning Taiwan may strengthen the relations between the United States and China. However, accommo-

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140. “Kerry Says U.S. Not Obligated to Defend Taiwan from Attacks (Sen. Kerry’s April 25 Speech on President Bush’s Remarks,” *American Institute in Taiwan: Policy & Documents* (April 26, 2001), accessible at: <http://www.ait.org.tw/en/20010425-kerry-says-us-not-obligated-to-defend-taiwan-from-attacks.html>.

141. “Kerry Commits to Taiwan’s Defense,” *Taipei Times* (February 10, 2013), accessible at: <http://www.taipetimes.com/News/front/archives/2013/02/10/2003554648>.

142. See PAN Zhongqi, “U.S. Taiwan Policy of Strategic Ambiguity”; and Joseph Nye, “A Taiwan Deal,” *Washington Post*, March 8, 1998. Gilley also attracted controversy when proposing the “Finlandization” of Taiwan, that is, the island, like what Finland proposed to the Soviet Union in 1948, could seek an agreement with Beijing to pledge not to side with any great powers to challenge China’s interests. And, in return, the PRC should grant Taiwan greater political independence. This plan essentially called Taiwan to reposition itself as a “neutral state” rather than a U.S. strategic ally. See Bruce Gilley, “Not So Dire Straits,” *Foreign Affairs*, (January/February, 2010), pp. 48-50.

143. Charles Glaser, “Will China’s Rise Lead to War?” *Foreign Affairs* 90, no. 2, (March/April, 2011), pp. 80-91. See also Shyu-Tu Lee, Douglas Paal, and Charles Glaser, “Disengaging from Taiwan: Should Washington Continue Its Alliance with Taipei?” *Foreign Affairs* 90, no.4, (May/June, 2011), pp. 179-182.

dating Beijing, as some critics have pointed out, may also be construed as America's decline in power and losing its resolve in East Asia.<sup>144</sup> Appeasement, in other words, may not be necessarily peace-inducing and could even enlarge Beijing's ambition. Thus, some proponents of clarity actually argue for stepping up American support for Taiwan's defense and political independence.<sup>145</sup>

Proponents of strategic clarity, nonetheless, have failed to appreciate America's liberal interest in maintaining the strategic ambiguity policy. Indeed, Scott Kastner observed that jettisoning strategic ambiguity would require Washington to transform its objectives in the Taiwan Strait. Essentially, the United States must renounce the desire of either preserving Taiwan's autonomy or maintaining a constructive relationship with Beijing.<sup>146</sup> Nancy Tucker also held the view that "strategic clarity is not the solution to U.S. policy problems in the Taiwan Strait. Even though it appears to be the direction in which many analysts currently wish to travel, it fails to remedy existing problems and could make them worse." Moreover, strategic ambiguity "has been about peaceful resolution, [and] as policymakers push to [clarify] what they would do under specific circumstances, they edge ever closer not just to abandoning ambiguity, but also to taking sides in the standoff in the strait."<sup>147</sup> Andrew Nathan refuted China's accusation that Washington wanted to block reunification, by claiming that a Taiwan unified with China poses no serious or detrimental security and economic threat to America. "Any form of peaceful reunification," he noted, "would result in a diminution of tensions in the region and greater integration between the Taiwanese and mainland economies, both of which should be good for American businesses on both sides of the strait. Political risks would diminish and war risks all but disappear."<sup>148</sup>

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144. Nancy Tucker & Bonnie Glaser, "Should the United States Abandon Taiwan?" pp. 33-35.

145. See James Mann, "Congress and Taiwan: Understanding the Bond," in Ramon Myers, Michel Oksenberg, and David Shambaugh, eds., *Making China Policy*, p. 214. Nancy Tucker & Bonnie Glaser, "Should the United States Abandon Taiwan?" p. 29.

146. Scott Kastner, "Ambiguity, Economic Interdependence, and the U.S. Strategic Dilemma in the Taiwan Strait," *Journal of Contemporary China* 15, no. 49, (2007), p. 663.

147. Nancy Tucker, "Strategic Ambiguity or Strategic Clarity?" p. 210.

148. *Ibid.*, p. 100.

## SUSTAINING THE TRIANGULAR BALANCE

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Should Taiwan decide to pursue unification with China, the U.S. has few viable options to prevent it.<sup>149</sup> In fact, Taiwan's need for American arms sales results precisely from China's threat of attack and coercive diplomacy. Thus, if Taipei seeks unification voluntarily and trusts the PRC to honor a mutually beneficial agreement, then it would reduce its demand for arms purchases and the United States would have no leverage on that decision.<sup>150</sup> Furthermore, if Taiwan's public opinion and voters prefer unification and their democratically-elected officials declare that time has come for the reunion, Washington would be "in no position to contradict them. Doing so would only risk the enmity of the island's people and threaten to undermine the very [liberal democratic] institutions [America] seeks to defend."<sup>151</sup> The same can be said of Taiwanese independence. If such an option reflects the assent of the Taiwanese people and is agreed upon by both China and Taiwan through peaceful means, then the United States certainly would not object.

At present, however, reunification does not seem to appeal to the great majority of the Taiwanese people, who have indicated their predilection to maintain only some form of "status-quo" into the indefinite future. In the words of Chas Freeman, "Taiwan's democratic politics have produced no consensus on what sort of long-term relationship, if any, Taiwan should have with the rest of China."<sup>152</sup> Despite the increasing and deeper economic interdependence between China and Taiwan, most people on the island, including supporters of the KMT, believe that Taiwan has little to gain but much to lose by unifying with an authoritarian China. At the very least, talk of reunification is ripe only when China becomes more politically liberalized and starts to push for democratization. In the foreseeable future, however, the CCP is highly unlikely to give up its monopoly of power, whereas the Taiwanese people have become less receptive to the "one-China" concept. In any event, until a peaceful solution can be attained, "no reunification, no unilateral independence, and no use of force" appears to be the best interim position. Kurt Campbell and Derek Mitchell emphasized that "the best option for the United States is to help create incen-

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149. Nancy B. Tucker, "If Taiwan Chooses Unification, Should the United States Care?" p. 24.

150. *Ibid.*, p. 25.

151. *Ibid.*, p. 25.

152. Chas W. Freeman Jr., "Preventing War in the Taiwan Strait: Restraining Taiwan and Beijing," *Foreign Affairs* (July/August, 1998), p. 10.

tives that will encourage both Taipei and Beijing to maintain the undefined status quo — a middle ground between reunification and independence. Each side dislikes the current situation for its own reasons, but for both it is the best choice among unhappy alternatives.”<sup>153</sup> Insisting on a peaceful resolution may be tantamount to defending Taiwan’s de-facto autonomy in the indefinite future with a good likelihood that during this time Taiwanese national identity may solidify and Taiwan’s bargaining position may improve. Yet, Nathan correctly pointed out, “At least, the United States is not seeking the permanent independence of Taiwan as an end in itself, or to contain China, or prevent China’s rise to major power status.”<sup>154</sup>

In short, strategic ambiguity helps to keep the cross-strait status quo until a mutually acceptable outcome could be hashed out by both Taipei and Beijing. This can be a long process, but the policy is, for the time being, beneficial to all parties involved in the Taiwan Strait conflict.<sup>155</sup>

### III. THE “1992 CONSENSUS” AND CROSS-STRAIT PEACEFUL DEVELOPMENT: EXAMINING THE POLICIES OF MA YING-JEOU AND XI JINPING<sup>156</sup>

This chapter analyzes MA Ying-jeou’s mainland policy and its strategic implications for cross-strait relations. China’s policy stance toward Taiwan since 2008 would also be examined, with particular emphasis on the new XI Jinping administration in the early months following the 18th CCP Party Congress in November 2012. Both Beijing and Taipei share the common interest in maintaining the current cross-strait détente. While the princeling background of Xi and the other top new leaders in the Politburo Standing Committee may predispose them toward greater foreign policy assertiveness and, therefore, to demand a political resolution of the

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153. Kurt M. Campbell and Derek J. Mitchell, “Crisis in the Taiwan Strait?” *Foreign Affairs*, (July/August, 2001), p. 24.

154. Andrew Nathan, “What’s Wrong with American Taiwan Policy?” p. 105.

155. Scott Kastner, “Ambiguity, Economic Interdependence, and the U.S. Strategic Dilemma in the Taiwan Strait,” pp. 668-669.

156. Part of this chapter is a revised version of Dean P. Chen, “The Strategic Implications of Ma Ying-jeou’s ‘One ROC, Two Areas’ Policy on Cross-Strait Relations,” *American Journal of Chinese Studies* 20, no.1 (April 2013), forthcoming.

Taiwan question,<sup>157</sup> the mounting of various domestic socioeconomic and international political challenges confronting Beijing would constrain China to continue with its peaceful development grand strategy that has its roots in the early 1980s. As will be discussed, the ambiguity underlying the “1992 consensus” serves as the most optimal defense of the peace equilibrium between Taiwan and China, allowing both sides to shelve sensitive sovereignty issues and to focus on cultivating and deepening economic and non-security relations.

After assuming office in May 2008, Ma has shifted away from the more hardline strategy of the LEE Teng-hui and CHEN Shui-bian eras toward the policy of “no unification, no independence, and no use of force.”<sup>158</sup> On May 12, 2011, the president elaborated that the cornerstone of this recent cross-strait détente centers on the “1992 consensus,” meaning “one China, respective interpretations (OCRI).”<sup>159</sup> Ma and the KMT have long defined the relationship between mainland China and Taiwan as “not one between two states but rather a special relationship between two regions that are politically equal to each other.”<sup>160</sup> Strictly following the Republic

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157. On the bio and factional affiliations of XI Jinping and the 6 other Politburo Standing Committee members (including LI Keqiang, ZHANG Dejiang, YU Zhengsheng, LIU Yunshan, WANG Qishan, and ZHANG Gaoli), see Cheng LI, “Rule of the Princelings,” *Cairo Review* no. 8 (Feb 2013), pp. 34-47; Cheng LI, “The New Bipartisanship within the Chinese Communist Party,” *Orbis* (Summer 2005), pp. 387-400; Cheng LI, “The Battle for China’s Top Nine Leadership Posts,” *The Washington Quarterly* 35, no. 1 (Winter 2012), pp. 131-145. See also XIA Fei & CHENG Gongxi, *Zhengzhijiu Qi Changwei [The Seven Politburo Standing Committee Members]* (New York: Mirror Books, 2012). On biography of XI Jinping, see HU Lili & LIANG Jiang, *Xi Jinping Zhuanji [The Biography of Xi Jinping]* (New York: Mirror Books, 2012), and Yaita Akio, *Xi Jinping: Gongchan Zhongguo Zuiruoshi De Lingxiu [Xi Jinping: The Weakest Leader in Communist China]* (Taipei: Tianxia Publishers, 2012).

158. Baohui ZHANG, “Taiwan’s New Grand Strategy,” *Journal of Contemporary China* 20, no. 69 (March 2011), pp. 269-285; and T.Y. Wang et al., “Taiwan’s Expansion of International Space: Opportunities and Challenges,” *Journal of Contemporary China* 20, no. 69 (March 2011), pp. 249-267.

159. MA Ying-jeou, “Building National Security for the Republic of China,” Videoconference with the Center for Strategic & International Studies (May 12, 2011), p. 2, accessible at: [csis.org/files/attachments/110512\\_President\\_Ma\\_CSIS.pdf](http://csis.org/files/attachments/110512_President_Ma_CSIS.pdf). See SU Chi and CHENG An-guo eds., *Yige Zhongguo Gezi Biaoshu Gongshi De Shishi [One China, Respective Interpretations: A Historical Account of the Consensus]* (Taipei: National Policy Foundation, 2003); Association for Relations Across the Taiwan Strait (ARATS) eds., *Jiuer Gongshi Lishi Cunzheng [The Historical Documentations of the 1992 Consensus]* (Beijing: Jiuzhou Press, 2005); and SU Chi, *Taiwan’s Relations with Mainland China* (New York: Routledge, 2009), especially Chapter 1.

160. Baohui ZHANG, “Taiwan’s New Grand Strategy,” p. 273.

of China Constitution, the Ma administration affirms that “one China” clearly refers to the ROC, which incorporates the mainland region and the free region of Taiwan.<sup>161</sup> During his second inaugural address on May 20, 2012, Ma maintains:

When we speak of “one China,” naturally it is the Republic of China. According to our Constitution, the sovereign territory of the Republic of China includes Taiwan and the mainland. At present, the ROC government has authority to govern only in Taiwan, Penghu, Kinmin, and Matsu. In other words, over the past two decades [since 1992], the two sides of the Taiwan Strait have been defined as “one Republic of China, two areas.” This status has remained unchanged throughout the administrations of the [past] three presidents.<sup>162</sup>

While there are legitimate concerns from both the United States and Taiwan’s domestic opposition that Ma’s OCRI or “one ROC, two areas” position could erode Taiwan’s security and sovereignty, this author argues that the president’s stance is, in effect, a hedging approach based on binding engagement, limited bandwagoning, and soft balancing. These strategies allow the Ma government to enjoy a great degree of freedom to defend Taiwan’s security and autonomy, pacify and deter Beijing, and to satisfy the Obama administration’s “rebalancing strategy” in the Asian Pacific. The president further noted in his speech that:

[One ROC, two areas] is an eminently rational and pragmatic definition, and constitutes the basis for assuring the ROC’s long-term development and safeguarding Taiwan’s security. Both sides of the Taiwan Strait ought to squarely face up to this reality, seek common ground while respecting differences, and establish a consensus regarding “mutual non-recognition of sovereignty and mutual non-

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161. See Office of the President, Republic of China, “Zongtong Chuxi Zhonghua Minguo Shinxian 60 Nian Yantao Hui” [President Ma Attending the Conference on the 60th Anniversary of the ROC Constitution], (December 21, 2008); accessible at: <http://www.president.gov.tw/Default.aspx?tabid=131&itemid=14549&rmid=514&sd=2008/12/21&ed=2008/12/25>.

162. “Full Text of President MA Ying-jeou’s Inaugural Address,” (May 20, 2012); accessible at: <http://english.president.gov.tw/Default.aspx?tabid=491&itemid=27199&rmid=2355>.

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denial of authority to govern.” Only in this way can the two sides move forward with confidence.<sup>163</sup>

Section 1 of this chapter provides a brief overview of cross-strait peace since 2008 and outlines the promises and potential dangers. Section 2 explains Ma’s mainland policy by concentrating on how the “1992 consensus,” defined by Taipei as “one China, respective interpretations,” and, later, by the Ma administration as “one ROC, two areas,” has enabled Taiwan to practice binding engagement, limited bandwagoning, and soft balancing in coping with the PRC.

Section 3, then, briefly reviews China’s foreign policy goals and grand strategy since the reform era. In essence, Beijing’s imperatives are to maintain internal political and socioeconomic stability and development, safeguard sovereignty and territorial integrity, generate international respect and status, and to sustain a peaceful international environment conducive to its economic growth and prosperity. These long-term priorities, in light of the burgeoning domestic socioeconomic problems and increasing frictions with the United States and regional Asian states, have required Chinese leaders to adopt, since the latter half of the 1990s, a peaceful development grand strategy predicated on multilateralism, reassurance, and countering constraints. Since 2005, Beijing also modified its Taiwan policy by eschewing some of its traditional hardline one-China principle and interacted with Taipei on a more flexible and practical basis. Such a policy stance is predicated upon a combination of engagement and deterrence.

Rather than insisting that Taiwan be a part of one China under the PRC, Chinese officials, though steadfastly opposing Taiwanese independence, have more often stated that both the mainland and Taiwan belong to one China, without explicitly emphasizing which China. This vagueness in language echoes Ma’s mainland policy and creates a modicum degree of equality between Taipei and Beijing as two political entities under the common Chinese nation and heritage. For instance, on February 25, 2013, speaking with the KMT’s honorary chairman LIEN Chan, XI Jinping posited, “Nothing can cut the blood bond between mainland and Taiwan compatriots who all belong to the Chinese nation, and nothing can change the fact that both sides on the Taiwan Strait belong to one

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163. Ibid.

China.”<sup>164</sup> Then, given the intricate ties between Taiwan’s domestic politics and cross-strait policy, Section 4 will briefly assess the relationship between the “one ROC, two areas” policy and President Ma’s domestic political standing in the first year after winning his second term in office. Essentially, the president’s precipitous weakening in popular support seemingly results more from domestic socioeconomic problems than the administration’s national security strategy toward mainland China.

### A. The Promises and Perils of Cross-Strait Relations

Reversing the 13-year confrontational cross-strait stances of the LEE Teng-hui and CHEN Shui-bian administrations (1995-2008),<sup>165</sup> President Ma, since taking office in 2008, has reengaged Beijing under the rubric of the “1992 consensus.”<sup>166</sup> In turn, China’s president HU Jintao has asserted that both Beijing and Taipei should “build mutual trust, lay aside differences, seek consensus while shelving differences, and create a win-win situation.”<sup>167</sup> In fact, acting more flexibly and “patiently” regarding the Taiwan issue compared to his predecessor, JIANG Zemin, Hu has suggested, as early as 2005, a “peaceful development” in cross-strait

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164. “Xi Meets KMT’s Lien, Stresses Cross-Strait Ties,” *The Xinhua News Agency* (Feb 25, 2013), accessible at: [http://news.xinhuanet.com/english/china/2013-02/25/c\\_132191064.htm](http://news.xinhuanet.com/english/china/2013-02/25/c_132191064.htm)

165. See Nancy Tucker, *Strait Talk* (Cambridge: Harvard University Press, 2009), pp. 265-268; Alan Romberg, *Rein In at the Brink of the Precipice* (Washington DC: The Henry Stimson Center, 2003), pp. 164-176. It is important to note that interactions across the Taiwan Strait are best described as the coexistence of high levels of political tension and deepening of economic cooperation. Such trends actually accelerated during the Lee and Chen presidencies. Scott Kastner, *Political Conflict and Economic Interdependence Across the Taiwan Strait* (Stanford, CA: Stanford University Press, 2009), p. 30. See also Karen Sutter, “Business Dynamism across the Taiwan Strait: The Implications for Cross-Strait Relations,” *Asian Survey* 42, no. 3, (2002), pp. 522-540; Chao Chien-min, “Will Economic Integration Between Mainland China and Taiwan Lead to a Congenial Political Culture?” *Asian Survey* 43, no. 2, (2003), pp. 280-304; and Cal Clark, “The China-Taiwan Relationship: Crowning Cross-Strait Economic Integration,” *Orbis* 46, no.4, (2002), pp. 753-766.

166. David G. Brown, “China-Taiwan Relations: Taiwan Voters Set a New Course,” *Comparative Connections* 10, no. 1, (April 2008), p. 3; and Nancy B. Tucker, *Strait Talk*, p. 190.

167. Hu articulated those terms while meeting with LIEN Chan, the honorary chairman of the Kuomintang, in Beijing on April 29, 2008. The Chinese president’s quote is taken from David G. Brown, “China-Taiwan Relations: Dialogue Resumes in Relaxed Atmosphere,” *Comparative Connections*, 10, no. 2, (July 2008), p.2. See also Qiang XIN, “Beyond Power Politics: Institution-Building and Mainland China’s Taiwan Policy Transition,” *Journal of Contemporary China*, 19, no. 65, (June 2010), p. 529.

relations and that preventing independence takes precedence over pressing for near-term reunification.<sup>168</sup> Shortly after Ma's electoral victory on March 22, 2008, HU Jintao, in a telephone conversation with President George W. Bush, expressed that both China and Taiwan should "restore consultation and talks on the basis of the "1992 consensus," which sees both sides recognize there is only one China, but agree to differ on its definition."<sup>169</sup> Bush, according to his national security adviser Stephen Hadley, welcomed the Chinese leader's flexibility.<sup>170</sup> Moreover, on December 31, 2008, the CCP general secretary urged both sides to "make pragmatic explorations in their political relations under the *special circumstances* where the country has not yet been reunified," which will ultimately lead to a "peace agreement" and "formally end the state of hostility across the Straits."<sup>171</sup>

Hence, tensions across the Taiwan Strait greatly subsided, prompting one *Economist* commentator to write that "relations between Taiwan and China may be better than at any time since Nationalist forces routed in China's civil war fled for Taiwan in 1949."<sup>172</sup> After almost a 10-year hiatus,<sup>173</sup> bilateral dialogue re-

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168. On April 29, 2005, in their first leadership meeting since 1945 between the KMT and CCP, LIEN Chan and HU Jintao issued a joint statement on "Peaceful Development," outlining five major goals: (1) resume cross-strait negotiations on the basis of the "1992 consensus"; (2) cease hostilities, conclude a peace agreement and launch confidence building measures (CBMs); (3) comprehensively expand economic engagements; (4) negotiate Taiwan's international participation, including the WHO; and (5) set up party-to-party platform. The quote of the statement is taken from Shirley Kan, "China/Taiwan: Evolution of the 'one China' Policy—Key Statements from Washington, Beijing, and Taiwan," *Congressional Research Service Report for Congress* (June 24, 2011), p. 75. The full press communique on Hu-Lien's five major goals, see: <http://www.cctv.com/english/20050430/100193.shtml>. On Hu's patient policy, see Chien-Kai CHEN, "Comparing Jiang Zemin's Impatience with Hu Jintao's Patience Regarding the Taiwan Issue, 1989-2012," *Journal of Contemporary China* (2012), p.4. See also Susan Shirk, *China: Fragile Superpower*, pp. 203-209.

169. "Chinese, U.S. Presidents Hold Telephone Talks on Taiwan, Tibet," *The Xinhua News Agency* (March 27, 2008); accessible at: [http://news.xinhuanet.com/english/2008-03/27/content\\_7865209.htm](http://news.xinhuanet.com/english/2008-03/27/content_7865209.htm). It is interesting to note that Hu's remarks on "one China, different interpretations" appeared only in Xinhua's English report, not in its Chinese report, which only wrote the "1992 consensus."

170. David G. Brown, "Taiwan Voters Set a New Course," *Comparative Connections*, 10, no. 1, (April 2008), p. 4.

171. See the full-text of Hu's speech at the "Forum Marking the 30th Anniversary of the Issuance of the Message to Compatriots in Taiwan," (December 31, 2008), accessible at: [http://www.gwytb.gov.cn/en/Special/Hu/201103/t20110322\\_1794707.htm](http://www.gwytb.gov.cn/en/Special/Hu/201103/t20110322_1794707.htm). *Emphasis added*. See also Shirley Kan, "China/Taiwan: Evolution of the 'one China' Policy," p. 78.

172. "Strait Talking," *The Economist*, (January 2, 2010), p. 32.

sumed between the Association for Relations Across the Taiwan Strait (ARATS) and the Strait Exchange Foundation (SEF), quasi-government agencies representing Beijing and Taipei, respectively, in cross-strait negotiations. Beginning in June 2008, the SEF-ARATS talks have reached various economic and technical accords, including the “three links” of direct flight, shipping, and postal services, cooperation on food safety, fishing, finances, fighting crimes, and industrial, insurance, and investment standards.<sup>174</sup> On June 29, 2010, Taipei and Beijing signed a comprehensive economic pact, formally known as the Economic Cooperation Framework Agreement (ECFA), in Chongqing, China. The agreement expanded and further institutionalized economic liberalization ties between China and Taiwan.<sup>175</sup> In January 2012, President Ma’s and the KMT’s victory in the presidential and legislative elections have allowed the continuation and expansion of cross-strait economic cooperation.<sup>176</sup>

Notwithstanding these promising trajectories, however, the Ma administration faces three daunting challenges to Taiwan’s long-term security and stability. First, while Hu’s “peaceful development” embodies greater flexibility and tolerance, the PRC has never formally renounced the use of force to reunify with Taiwan.<sup>177</sup> In March 2005, an Anti-Secession Law was passed by China’s National People’s Congress to legitimize the employment of “non-peaceful means and other necessary measures” if “the possibilities for a peaceful reunification should be completely exhausted.”<sup>178</sup> Moreover, Beijing’s military preparations and missile deployments targeting Taiwan have continued unabated.<sup>179</sup>

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173. See Dennis V. Hickey, *Foreign Policy Making in Taiwan* (New York: Routledge, 2007), pp. 87-94; and SU Chi, *Taiwan’s Relations with Mainland China* (New York: Routledge, 2009), Chapters 2-5.

174. Robert Sutter, *U.S.-Chinese Relations* (Lanham, MD: Rowman & Littlefield, 2010), pp. 229-232. After 2008, the ARATS-SEF talks were also known as the “Chiang-Chen” talks, as CHEN Yunlin is the chairman of ARATS and CHIANG Pin-kung the SEF chairman.

175. Daniel Rosen & Zhi WANG, *The Implications of China-Taiwan Economic Liberalization*, (Washington DC: Peterson Institute for International Economics, 2011), Chapters 1-2.

176. David Brown, “Post-Election Continuity,” *Comparative Connections* (April 2012), pp. 1-2.

177. Shelley Rigger, “Taiwan in U.S.-China Relations,” p. 294.

178. The full text of the NPC’s Anti-Secession Law of 2005 can be accessed at: [http://www.gwytb.gov.cn/en/Special/OneChinaPrinciple/201103/t20110317\\_1790121.htm](http://www.gwytb.gov.cn/en/Special/OneChinaPrinciple/201103/t20110317_1790121.htm).

179. Robert Sutter, “Taiwan’s Future: Narrowing Straits,” *The National Bureau of Asian Research* (May 2011), p. 16.

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In addition to satisfying nationalistic interests and strengthening their domestic political legitimacy,<sup>180</sup> Chinese leaders also have a geostrategic rationale in recovering Taiwan. Being a “gateway to the Pacific,” Taiwan, if under the PRC’s possession, would enhance Beijing’s control over surrounding coastal waters such as the Yellow Sea, East China Sea, and South China Sea and strengthen her maritime and naval-force projection capabilities to diminish American (and Japanese) influence in East Asia.<sup>181</sup> In a similar vein, Andrew Nathan and Andrew Scobell wrote that, “Beijing views control of Taiwan as crucial for defense of the mainland against external enemies. . . . Across from a coastal part of China that is difficult to defend and increasingly prosperous, Taiwan is always in a position to threaten the mainland, especially if it were to offer military, intelligence, or propaganda facilities to a great power.”<sup>182</sup> As a result, there is a hidden “hard” dimension in HU Jintao’s peaceful development strategy, that is, patience is not inexhaustible. The inception of the Anti-Secession Law reserves for the present and future Chinese leaderships the “option of using force should they decided that peaceful development was becoming ‘peaceful separation’ as the government of Taiwan used the opportunity to play for time and achieve indefinite de-facto separation from the mainland.”<sup>183</sup>

Secondly, Taiwan, a vibrant democracy, has increasingly emphasized its separate political identity from mainland China, expressing a strong desire for greater political autonomy and international space.<sup>184</sup> Public opinion polls in Taiwan consistently show that roughly 80 percent of the Taiwanese people are in favor of maintaining the status-quo, that is, neither reunification nor independence. But, it is important to note that 14 percent support independence whereas less than 6 percent back reunification with China.<sup>185</sup> Furthermore, the proportion of those supporting independence and identifying themselves as Taiwanese, rather than Chi-

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180. On Taiwan’s effect on Chinese nationalism, see Susan Shirk, *China: Fragile Superpower*, pp. 185-186. See also Chien-Kai CHEN, “Comparing Jiang Zemin’s Impatience with Hu Jintao’s Patience Regarding the Taiwan Issue, 1989-2012,” pp. 6-8.

181. Alan Wachman, *Why Taiwan?* (Stanford, CA: Stanford University Press, 2007), pp. 138-142.

182. Andrew Nathan and Andrew Scobell, *China’s Search for Security*, pp. 212-213.

183. Steven Goldstein, “First the Easy. . . But When the Hard?” p. 10.

184. Shelley Rigger, *Why Taiwan Matters* (Lanham, MD: Rowman & Littlefield, 2011), pp. 129-131.

185. See the survey data gathered and compiled by the Republic of China’s Mainland Affairs Council, from 2002 to 2010. The website is: <http://www.mac.gov.tw/ct.asp?xItem=93358&ctNode=6921&mp=3>.

nese, has grown tremendously over the last 10 years.<sup>186</sup> The DPP, therefore, has frequently accused the Ma government for overly appeasing mainland China at the expense of Taiwan's sovereignty. Finally, as discussed in Chapter II, though the Obama administration welcomes the deepening of socioeconomic exchanges across the Taiwan Strait,<sup>187</sup> it has voiced its concerns that China's rising economic and military power could compromise Taiwan's security and destabilize regional stability. Consequently, Ma's mainland policy is carefully tailored to balance the interests of America, China, and Taiwan.

### **B. MA Ying-jeou's Mainland Strategy: "One ROC, Two Areas"**

The outcome of the 2012 presidential race showed that MA Ying-jeou received 51.6 percent of the vote while his DPP rival TSAI Ing-wen drew 45.6 percent. Though the KMT president enjoyed a solid win, the margin was relatively more narrow than in 2008 which "highlights the deep divisions among an electorate still wary of China's intentions."<sup>188</sup> Indeed, one of the alleged reasons behind Ma's declining popular support was his proposal, in November 2011, of "cautiously considering" signing a peace agreement with Chi na within the next decade. Even though the president assured that the accord must meet three conditions,<sup>189</sup> the DPP and its political ally, the Taiwan Solidarity Union (TSU), voiced strident opposition as the Taiwanese public showed unease. To soothe these worries, Ma dismissed the possibility of near-term political reunification and vowed that any form of political association or union must come under the stringent conditions that include both a democratic China and democratic approval from the people of Taiwan. Knowing that unification is highly unpopular with Taiwan's public, Ma reaffirmed in his victory speech on the night of January 14,

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186. T. Y. WANG, et al., "Taiwan's Expansion of International Space," p. 261.

187. Jean-Marc F. Blanchard and Dennis V. Hickey, "More than Two 'Sides' to Every Story," in Jean-Marc F. Blanchard and Dennis V. Hickey, eds., *New Thinking about the Taiwan Issue* (New York: Routledge, 2012), pp. 12-13.

188. Alan Romberg, "After the Taiwan Elections: Planning for the Future," *China Leadership Monitor* no. 37 (April 30, 2012), pp. 2-3.

189. Those three conditions are: (1) the accord must win strong support from Taiwan's people; (2) it must meet the actual needs of Taiwan; and (3) it must be supervised by Taiwan's legislature. Moreover, Ma also added that the government must obtain the approval of the people through a national plebiscite before signing the peace agreement. See Bonnie Glaser & Brittany Billingsley, "Taiwan's 2012 Presidential Elections and Cross-Strait Relations," pp.4-5.

2012: “There is no rush to open up political dialogue [with China]. . . It’s not a looming issue.”<sup>190</sup>

1. *Hedging: To Work for the Best, but to Prepare for the Worst*

Thus, Taiwan’s highly contentious politics has made it extremely difficult for central decision-makers to implement a consistent pro or anti-China policy.<sup>191</sup> Moreover, finding itself constrained by great powers like the United States and China, Taiwan has been aptly described by Dennis Hickey as a “shrimp between whales” whose fate “has been shaped largely by external events and outside pressures.”<sup>192</sup> Indeed, international conditions have become more unsettling, especially due to China’s emergence and recent assertiveness in world politics and the deepening pattern of cooperation and competition between Washington and Beijing. These phenomena have made either a pure balancing or pure accommodationist mainland strategy unappealing to Taiwan.<sup>193</sup> Balancing would definitely arouse enmity from Beijing, thereby jeopardizing Taiwan’s security and costing economic benefits that could accrue from engaging China. On the other hand, by overly accommodating and asymmetrically depending on the PRC, Taiwan risks losing its political autonomy and inviting China’s dominance and even forceful unification.<sup>194</sup>

As a result, the Ma administration has responded to the need of strategic adjustment by following the path of hedging, which is predicated upon a two-pronged approach of “return-maximizing” and “risk contingency.” While Taiwan and its business interests desire high economic gains from stable cross-strait commerce and interchange,<sup>195</sup> the island is well aware of Beijing’s underlying

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190. Andrew Higgins, “Taiwan Unlikely to Move to Reunify with China, Despite Ma Ying-jeou’s Reelection,” *The Washington Post*, (January 15, 2012).

191. Dennis Hickey, *Foreign Policy Making in Taiwan*, pp. 75-76.

192. *Ibid.*, p 26.

193. Stephen Walt, *The Origins of Alliances* (Ithaca: Cornell University Press, 1987), Randall Schweller, “Managing the Rise of Great Powers: History and Theory,” in Alastair Johnston and Robert Ross, eds., *Engaging China* (New York: Routledge, 1999), pp. 9-10.

194. KUIK Cheng-Chwee, “The Essence of Hedging: Malaysia and Singapore’s Response to a Rising China,” *Contemporary Southeast Asia* 30, no. 2 (2008), pp. 164-165.

195. Scott Kastner, *Political Conflict and Economic Interdependence across the Taiwan Strait and Beyond*; and Steve Chan, “Unbalanced Threat or Rising Integration?” in Jean Blanchard and Dennis Hickey eds., *New Thinking about the Taiwan Issue*, pp. 92-115.

intention to employ economic statecraft to foster political reunification.<sup>196</sup> “There can be little doubt,” posits Scott Kastner, “that China pushes for cross-strait economic integration in part because leaders in Beijing view this as conducive to China’s political goals vis-à-vis Taiwan.”<sup>197</sup> Having a profound mistrust of Taiwan’s future political direction, as the DPP is still potent enough to return to power and to strive for independence, Beijing may find it imperative to step up pressure on Taipei to tackle thornier political and security issues while the KMT is still in charge.<sup>198</sup> These may include calling Taiwan to terminate its military ties with Washington and to formalize the PRC’s one-China principle into a legal agreement.

For instance, Taipei responded with alarm in March 2012 when Beijing proposed a joint economic development project or “experimental zone” at Fujian’s Pingtan Island. The Ma administration criticized the plan as tantamount to a political initiative since Taiwanese working on the island would be “hired as PRC’s government employees.” While WANG Yi, director of China’s Taiwan Affairs Office (TAO), dismissed such concern as ludicrous, the episode demonstrates Taiwan’s anxiety about China’s probing and unobtrusive unification tactic.<sup>199</sup> As a response, Taiwan’s Mainland Affairs Council (MAC) reiterated that cross-strait negotiations, at least in the near future, should focus on incremental economic and functional issues, calling Beijing to appreciate “Taiwan’s mainstream views on cross-strait relationship.”<sup>200</sup> President Ma also expressed the need to step up the island’s defense preparations and security coordination with the United States in order to gain a stronger footing to interact with Beijing.<sup>201</sup> In short, hedging is a strategy that “works for the best and prepares for the worst.”<sup>202</sup>

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196. Baohui ZHANG, “Taiwan’s New Grand Strategy,” pp. 284-85.

197. Scott Kastner, *Political Conflict and Economic Interdependence across the Taiwan Strait and Beyond*, p. 95.

198. CHEN Qimao, “The Taiwan Straits Situation since Ma Came to Office and Conditions for Cross-Strait Political Negotiations: A View from Shanghai,” *Journal of Contemporary China*, 20, no. 68 (January 2011), pp. 155-56. See also Daniel Lynch, “Why Ma Won the Elections and What’s Next for Taiwan and China,” *Foreign Affairs* (January 15, 2012), accessed: [www.foreignaffairs.com/print/134292](http://www.foreignaffairs.com/print/134292).

199. David Brown, “Post-Election Continuity,” p. 3.

200. MAC’s quote is taken from Steven Goldstein, “First the Easy. . . But When the Hard?” p. 11.

201. Baohui ZHANG, “Taiwan’s New Grand Strategy,” p. 281.

202. KUIK Cheng-Chwee, “The Essence of Hedging,” p. 171.

## 2. *Binding Engagement, Limited Bandwagoning, and Soft Balancing*

Specifically, the Ma government has relied on a combination of three strategies: binding engagement, limited bandwagoning, and soft balancing. A state seeks to “bind” and “engage” its rival to exert some measure of control or “voice opportunities,” thereby “prevent[ing] or at least ameliorat[ing]” the undesirable behavior of its competitors or adversaries.<sup>203</sup> As a result, the gradual institutionalization of cross-strait cooperation and interactions through an amalgamation of multilateral, bilateral, official, and semi-official regimes, including the SEF-ARATS talks, Cross Strait Economic and Cultural Forum, and ECFA’s Economic Cooperation Committee, allows both Taiwan and China to share and discuss ideas and other various concerns. These multiple channels facilitate mutual expectations, build confidence, foster greater transparency of each other’s decision-makings, and reduce misunderstanding and conflicts.<sup>204</sup>

Similar to the United States, Taipei also aims to engage Beijing to “socialize” its potentially “revisionist” behavior and policy. Taiwan has always been seen as the “beacon of hope” for China’s democratization.<sup>205</sup> In his second inaugural address, Ma pointed out:

Taiwan’s experience in establishing democracy proves that it is not impossible for democratic institutions from abroad to take root in an ethnically Chinese society. I fervently look forward to the gradual opening up of greater popular participation in the political process on the mainland, along with steady improvement in human rights and the rule of law, and the autonomous development of civil society. This will further reduce the feeling of “otherness” between people on the two sides of the Taiwan Strait.<sup>206</sup>

Indeed, as Bruce Gilley notes, “The revival of KMT electoral fortunes in Taiwan after the second presidential term of DPP president [CHEN] Shui-bian [in 2008] could further emphasize the attractions

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203. Randall Schweller, “Managing the Rise of Great Powers,” p. 13.

204. Qiang XIN, “Beyond Power Politics,” pp. 538-539.

205. Shelley Rigger, *Why Taiwan Matters*, pp. 189-191.

206. “Full Text of President MA Ying-jeou’s Inaugural Address,” (May 20, 2012); accessible at: <http://english.president.gov.tw/Default.aspx?tabid=491&itemid=27199&rmid=2355>.

of the Taiwan [democratic] transition for actors in China.”<sup>207</sup> The lessons for Beijing would be that the CCP, like its KMT counterpart, could one day rule again through the constitutional electoral processes. Moreover, Taiwan’s vibrant civil society could also be a useful template for China as it becomes more integrated into the international liberal economic order.

Ma’s policy also entails a limited degree of bandwagoning, that is, to align with China not only to lower Taiwan’s security threat but also to garner a share of rewards and profits.<sup>208</sup> In addition to economic benefits from the deepening of cross-strait commercial ties,<sup>209</sup> Taiwan has reaped some dividends from the diplomatic front as well. Though insisting that Taiwan must conduct its foreign affairs in an unofficial capacity and partake in international/regional organizations and NGOs which do not require sovereign state membership,<sup>210</sup> China has made a big stride in easing its longstanding policy of isolating Taiwan from the international community. Since May 2009, for instance, Taiwan has been invited to participate, as an observer, in the annual World Health Assembly, the executive arm of the World Health Organization (WHO). By late 2011, Taiwan had joined 7 other international organizations as either a full member or an observer and 2 NGOs.<sup>211</sup> In September 2012, at the annual Asia-Pacific Economic Cooperation (APEC) meeting in Vladivostok, HU Jintao also responded positively to Taiwan’s long-time desire to participate in the International Civil Aviation Organization (ICAO), suggesting to the KMT’s honorary chairman LIEN Chan that Beijing would “seriously study” if there were not an “appropriate way” for Taiwan to engage in this international body.<sup>212</sup> Moreover, Beijing has acquiesced to Ma’s “mutual non-denial” formulation, that is, each side does not repudiate the

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207. Bruce Gilley, “Taiwan’s Democratic Transition,” in Bruce Gilley and Larry Diamond, eds., *Political Change in China* (Boulder: Lynne Rienner Publishers, 2008), p. 240.

208. Randall Schweller, “Bandwagoning for Profit: Bringing the Revisionist State Back In,” *International Security* 19, no. 1 (Summer 1994), pp. 90-91.

209. See Daniel Rosen & Zhi WANG, *The Implications of China-Taiwan Economic Liberalization*, p. 71. ECFA has also provided opportunities for Taiwan to negotiate FTAs with Singapore, New Zealand, and possibly Japan.

210. Alan Romberg, “After the Taiwan Elections,” pp. 10-11.

211. Nancy Tucker & Bonnie Glaser, “Should the United States Abandon Taiwan?” p. 31.

212. Alan Romberg, “Shaping the Future, Part II: Cross-Strait Relations,” *China Leadership Monitor* no. 39 (October 1, 2012), pp.9-10.

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jurisdiction of the other.<sup>213</sup> Both sides, then, achieved a tacit diplomatic truce so that each would halt efforts to win diplomatic recognition from countries at the expense of the other.<sup>214</sup> Since Ma became president, none of the 23 states that have formal diplomatic ties with Taipei have defected to Beijing. In fact, China even rejected pleas from Panama and Paraguay to establish ties in order to honor this rare moment of good feelings across the Taiwan Strait.<sup>215</sup>

Nonetheless, unlike a pure bandwagoning strategy which requires some form of zero-sum political and military alliance, limited bandwagoning yields greater latitude, as policy coordination and partnership are on a more selective and voluntary basis.<sup>216</sup> In August 2012, for example, although Taipei explicitly rejected to team up with Beijing to counter Japan's claim over the disputed Senkaku/Diaoyu Islands in the East China Sea, the ROC government unequivocally reaffirmed its "sovereignty" over the island islets and its nearby waters, thereby positing its determination to not "cede even an inch of territory" and implicitly buttressing the Chinese position. In late September 2012, Ma even flew to the Pengjia Islet in the vicinity of the Senkaku/Diaoyu Islands to declare that Taipei would back up its commitment to defend sovereignty and to safeguard the security of Taiwan's fishermen. Taiwan's Coast Guard vessels were even dispatched to escort several Taiwanese fishing boats and, in some occasions, faced a minor standoff with the Japanese Coast Guard, resulting in a few hours of firing water cannons.<sup>217</sup> At the same time, the Ma administration has repeatedly asserted the importance of maintaining and enhancing strategic partnerships with Tokyo and Washington.<sup>218</sup> President Ma has urged the United States to resume the stalemated talks on setting up the Trade and Investment Framework Agreement (TIFA), also known as the U.S-Taiwan FTA, endorse Taiwan's participation in

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213. Nancy Tucker & Bonnie Glaser, "Should the United States Abandon Taiwan?" p. 31.

214. Robert Sutter, *U.S.-Chinese Relations*, p. 233.

215. Qian XIN, "Beyond Power Politics," p. 536.

216. KUIK Cheng-Chwee, "The Essence of Hedging," pp. 168-69.

217. "Relations on the Rocks: An Outbreak of Anti-Japanese Protests Unsettles China's Leaders at a Sensitive Time," *The Economist* (August 25, 2012). Alan Romberg, "'Shaping the Future, Part II: Cross-Strait Relations," p. 15.

218. Christopher Hughes, "China's Military Modernization: U.S. Allies and Partners in Northeast Asia," in Ashley Tellis and Travis Tanner, *China's Military Challenge*, pp. 231-235.

the Trans-Pacific Partnership (TPP), and to approve essential arms sales, such as the capable F-16 C/D fighter jets, to Taipei.<sup>219</sup>

Limited bandwagoning is also closely related to the third strategy of soft balancing, the employment of diplomatic, economic, and other non-military initiatives to constrain the influence of a rising power.<sup>220</sup> By championing its security and economic ties with the United States, Taiwan is indirectly deterring China from waging a military offensive. Moreover, in order to gain trust and support from regional allies like Japan and the ASEAN, Taipei has sought to assume the role of a neutral arbiter to diffuse Sino-Japanese friction over the Senkaku/Diaoyu Islands. President Ma, on August 5, 2012, broached the idea of an “East China Sea Peace Initiative,” suggesting that all parties “refrain from antagonistic conduct” and “shelve controversies,” by establishing a mechanism for cooperation on exploring and developing the region.<sup>221</sup> Furthermore, when the PRC released new versions of its passport in late 2012, with the inclusion of images showing scenic spots of Taiwan (such as the Sun Moon Lake and Green Island), the MAC, at Ma’s request, registered a formal and stern protest on November 23, 2012, stipulating that:

Mainland China’s inclusion of photographs of Taiwan’s territory and landscape entirely ignores existing facts and provokes controversy, while at the same time not only harms the foundation of mutual trust established through efforts by the two sides over the recent years, but also hurts the feelings of Taiwan’s 23 million people. The mainland’s action is absolutely unacceptable to the ROC government. . .<sup>222</sup>

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219. In November 2012, the Obama administration officially announced to include Taiwan in its Visa Waiver Program (VWP). As the 37th member of the program, Taiwan is the 5th Asian participant after Brunei, Japan, Singapore, and South Korea. Taiwan is also the only country in the VWP that does not have a diplomatic relations with the United States. See <http://travel.cnn.com/explorations/escape/united-states-adds-taiwan-visa-waiver-program-657841>.

220. Derek McDougall, “Responses to ‘Rising China’ in the East Asian Region: Soft Balancing with Accommodation,” *Journal of Contemporary China* 21, no. 73, pp. 1-17. See also Robert Pape, “Soft Balancing against the United States,” *International Security* 30, no.1 (Summer 2005), pp. 7-45.

221. See TSAI Zheng-jia, “ROC Takes Lead with East China Sea Peace Initiative,” *Taiwan Today* (August 13, 2012); accessible at: <http://taiwantoday.tw/ct.asp?xItem=194661&ctNode=426>.

222. See “MAC Issues a Stern Warning on the Mainland’s New Passport,” (November 23, 2012) accessible at: <http://www.mac.gov.tw/ct.asp?xItem=103648&ctNode=6256&mp=3>.

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Although Beijing repudiated against these charges and downplayed the passport controversy, the incident illustrates Taipei's counterbalancing gesture to "push back" against China's political encroachment.<sup>223</sup>

### 3. *The "1992 Consensus" and "One China, Respective Interpretations"*

The aforementioned strategies of binding engagement, limited bandwagoning, and soft balancing together, shown in Table 3, empower Taipei to simultaneously cultivate salutary relations with China and hedge against the latter's ambition toward Taiwan. The successful wielding of these strategies rests on the bedrock foundation of the "1992 consensus" and OCRI. Speaking at the SEF Symposium, commemorating the 20th anniversary of the "1992 consensus," Ma says, "The '1992 consensus' is of great significance and far-reaching impact. In addition to easing cross-strait tensions, it has also improved Taiwan's international relations, because cross-strait relations and international relations reinforce each other.

MA's Strategies	"One ROC, Two Areas" and Implications
Binding Engagement	Restrain China's assertiveness through a web of socioeconomic regimes and forums including ECFA, SEF-ARATS meetings, Boao Forums, KMT-CCP Forums; promoting greater liberalization of China's politics
Limited Bandwagoning	Sharing common Chinese culture and heritage; acknowledging "one China" but supporting "different interpretations"; such moves allow greater economic benefits and greater diplomatic space for Taiwan (mutual non-denial)
Soft Balancing	Rejecting PRC's claim over Taiwan; non-joint cooperation in Senkaku/Diaoyu disputes (affirming ROC's claim only); cultivating strategic and economic relations with the U.S. and Japan

**Table 3: President MA's Mainland Policy and Strategic Implications**

223. Alan Romberg, "Following the 18th Party Congress: Moving Forward Step-by-Step," *China Leadership Monitor* no. 40 (January 14, 2013), pp. 6-7.

Gradually, we have moved away from our former 'vicious cycle' and are turning it into a 'virtuous cycle.'"<sup>224</sup>

When President CHIANG Ching-kuo decided to open up cross-strait economic and cultural contacts on November 2, 1987, it marked the "beginning of the current cross strait relations."<sup>225</sup> Between the end of 1987 and June 1995, Taipei and Beijing worked incessantly to dispatch secret envoys and construct formal and informal institutions and agencies to promote trust and constructive dialogues. Since 1949, the KMT government had pursued a highly confrontational attitude against the PRC (known as the "no coexistence policy" of no contact, no negotiation, and no compromise), regarding the CCP merely as a "rebellious bandit group" and Taipei as China's sole legal government. Hence, to deepen and legitimize interactions, the Lee administration, in early 1991, formally terminated the "Period of General Mobilization for the Suppression of the Communist Rebellion Proclamation," which had been effective since 1948. Lee's act symbolized the end of China's civil war and recognized the Communist authority as having effective control over the mainland, thereby treating Beijing as an equal "political entity" to Taipei.<sup>226</sup>

Notwithstanding President Lee's pragmatism, cross-strait negotiations inevitably touched upon the sensitive issue of sovereignty because both the KMT and CCP, despite their differences, adamantly insisted on China's territorial integrity and national unification with Taiwan. The only question is whose China. On August 1, 1992, Taipei provided an answer as the National Unification Council (NUC) passed the "Definition of One China Resolution," which stipulates:

The two sides of the Taiwan Strait uphold the one China principle, but the interpretations of the two sides are different. . . . Our side believes that one China should mean the Republic of China, established in 1912 and existing today, and its sovereignty extends throughout China, but its current governing authority is only over Tai-

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224. "President Ma Delivers Address at Symposium on 1992 Consensus," (November 9, 2012), accessible at: <http://www.mac.gov.tw/ct.asp?xItem=103623&ctNode=5909&mp=3>.

225. SU Chi, *Taiwan's Relations with Mainland China*, p.1.

226. *Ibid.*, p. 6.

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wan, Penghu, Kinmen, and Matzu. Admittedly, Taiwan is a part of China, but the mainland is also a part of China.<sup>227</sup>

The NUC resolution furnished the basis for the SEF-ARATS negotiations in October-November 1992. While the talks ran into a deadlock, the SEF stated, in a press release on November 3, that “each side expresses its own interpretation *verbally* in order to solve this sticky problem of [one China] and thereby reaffirmed the August 1st NUC resolution as SEF’s interpretation of one China.”<sup>228</sup> In response, ARATS, on the same day, telephoned SEF, informing them that the former “fully respected and accepted” Taipei’s proposal to use a verbal declaration of each side’s position on the matter. On November 16, ARATS sent a formal letter to SEF, stating that ARATS “fully respect and accept your Foundation’s suggestion” while also affirming the content of its own interpretation, which was that “both sides of the strait uphold the principle of one China, and actively seek national unification, but the political interpretation of the one China will not be referred to in the cross-strait negotiations on functional issues.”<sup>229</sup> By late November, both SEF and ARATS had moved on to focus on the preparation works for the upcoming meeting between KOO Chen-fu, chairman of SEF, and WANG Daohan, head of ARATS, which took place in April 1993 in Singapore. The Koo-Wang talks launched subsequent rounds of negotiations and sub-meetings, centering on issues including fishing disputes, hijacking, cross-strait notarized documents, express mails, and other civil matters. The talks gradually lost momentum after Lee’s diplomatic launches in 1995, and died down altogether in 1999 following his “two states theory.”<sup>230</sup>

In the words of SU Chi, former secretary general of Taiwan’s National Security Council, OCRI was not “coined by either government but by the Taipei media in nearly unanimous fashion, which the Taipei government later adopted. [Thus], the mainland had never fully accepted this characterization since 1992, but it never completely rejected it either.”<sup>231</sup> While Beijing emphasized the part that “both sides of the strait uphold the principle of one

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227. SU Chi and CHENG An-guo eds., *Yige Zhongguo Gezi Biaoshu Gongshi De Shishi*, p. 11. The English translation is found in Su Chi, *Taiwan’s Relations with Mainland China*, p. 13.

228. *Ibid.*, p. 13.

229. *Ibid.*, p. 14. See also ARATS eds., *Jiuer Gongshi Lishi Cunzheng*, p. 11.

230. SU Chi, *Taiwan’s Relations with Mainland China*, pp. 16-22.

231. *Ibid.*, p. 14.

China,” and that Taiwan is part of China, Taipei construed it to mean that both Taiwan and the mainland belong to China, which, based on the ROC Constitution and the NUC resolution, is the Republic of China founded in 1912. The strategic ambiguity inherent in such formulations allowed cross-strait relations to progress and consolidate in the early 1990s. However, as Lee opted for a more independence-oriented policy in the mid-1990s and onward, Beijing, though not directly repudiating the “1992 consensus,” began to criticize the OCRI as “deliberate distortion,” a mere disguise utilized by independence advocates to promote either “two Chinas” or Taiwan’s formal separation.<sup>232</sup> Furthermore, between 2000 and 2008, the CHEN Shui-bian administration essentially denounced the existence of the “1992 consensus” and OCRI altogether.

### C. China’s Peaceful Development and Relations across the Taiwan Strait

Nonetheless, since 2005, HU Jintao, in following his peaceful development approach to Taiwan, has tacitly relaxed the strict interpretation of the one-China principle.<sup>233</sup> While insisting on reunification as the ultimate objective, Beijing has more frequently used the term “1992 consensus” as the basis of resuming cross-strait negotiations and “turned a deaf ear” when the KMT literally inter-

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232. ARATS eds., *Jiuer Gongshi Lishi Cunzheng*, pp. 12-15.

233. To be sure, the JIANG Zemin administration should be credited with laying down the blueprint for most of HU Jintao’s peaceful development strategy toward Taiwan since the mid-2000s. Jiang’s so-called “Eight-Point Proposal,” announced in January 1995 suggested a gradualist and “phased” process of rapprochement and negotiations leading to reunification. However, Jiang’s initiative also encompasses a clear military deterrence element in order to prevent Taiwan independence. In response to the Taiwan Strait crisis of 1995-96 and the growing influence of the pro-independence forces (represented by LEE Teng-hui and the DPP) in Taiwan, Beijing’s emphasis on a more hardline and coercive measure intensified in the latter half of the 1990s. Lee’s “two states theory” in July 1999 and CHEN Shui-bian’s election in March 2000 further reinforced China’s pessimism regarding Taiwan’s future, as illustrated by Beijing’s issuance of *The One-China Principle and Taiwan Issue White Paper* in February 2000 to sternly warn against Taiwan separatism. Thus, Jiang’s more hawkish approach is often contrasted with Hu’s more moderate response to Taiwan. Nonetheless, it is important to note that when Foreign Minister QIAN Qichen, in September 1997, talked about resuming the stalled negotiations with Taipei under the condition of the one-China principle, he did not make the usual reference to the PRC as the sole legitimate government of all of China. According to Michael Swaine, this explicit omission of any reference to the PRC in the standard definition of one China by a senior Chinese official was unprecedented. See Michael Swaine, “Chinese Decision-Making Regarding Taiwan, 1979-2000,” pp. 329-330. See also Chien-Kai CHEN, “Comparing JIANG Zemin’s Impatience with HU Jintao’s Patience Regarding the Taiwan Issue,” pp. 16-17.

preted China as the ROC.<sup>234</sup> In October 2007, at the 17th CCP Party Congress, Hu raised the idea of a “common destiny community,” implying a reorientation of the political status across the Taiwan Strait, one in which “one China does not mean PRC’s China, but [simply] a common homeland for both sides.”<sup>235</sup> On December 31, 2008, Hu further described that “both the mainland and Taiwan belong to one China,” thus creating a modicum degree of equality between both sides.<sup>236</sup> In order to understand the rationale underpinning China’s peaceful development grand strategy, and, in particular, its approach toward Taiwan, it is important to briefly trace the origins of that policy in the mid-1980s, its evolution, and the prospect of its continuance under XI Jinping, who took over as the new CCP general secretary and chairman of the Central Military Affairs Commission (CMAC) in November 2012 and became China’s president in March 2013.

1. *China’s Peaceful Development Grand Strategy: Multilateralism, Reassurance, and Countering Constraints*

The PRC’s grand strategy has been explored by many great scholars.<sup>237</sup> Hence, this section merely provides a concise overview of Beijing’s fundamental foreign policy priorities and grand strategic postures. Essentially, to understand the orientations of Chinese foreign policy from the mid-twentieth century to the present, one must begin with its “century of humiliation” mentality. That historical narrative views China as a victim of external aggressions beginning with the Opium War, subsequently invaded, divided, and weakened by the imperial powers until Mao unified the mainland

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234. SU Chi, *Taiwan’s Relations with Mainland China*, p. 14.

235. Qiang XIN, “Beyond Power Politics,” p. 529.

236. See [http://www.gwytb.gov.cn/en/Special/Hu/201103/t20110322\\_1794707.htm](http://www.gwytb.gov.cn/en/Special/Hu/201103/t20110322_1794707.htm).

237. See Andrew Nathan & Andrew Scobell, *China’s Search for Security* (New York: Columbia University Press, 2012); Avery Goldstein, *Rising to the Challenge* (Stanford: Stanford University Press 2005); Rosemary Foot, “Chinese Strategies in a U.S. Hegemonic Global Order: Accommodating and Hedging,” *International Affairs* 82, no. 1 (2006), pp. 77-94; Bates Gill, *Rising Star: China’s New Security Diplomacy* (Washington DC: Brookings Institution Press, 2010); Evan Medeiros, *China’s International Behavior: Activism, Opportunism, and Diversification* (Santa Monica, CA: RAND, 2009); ZHENG Bijian, “China’s ‘Peaceful Rise’ to Great Power Status,” *Foreign Affairs* 84, no. 5 (Sep-Oct 2005), pp. 18-24; WANG Jisi, “China’s Search for Stability with America,” *Foreign Affairs* 84, no. 5 (Sep-Oct 2005), pp. 39-48; Michael Swaine & Ashley Tellis, *Interpreting China’s Grand Strategy: Past, Present, and Future* (Santa Monica, CA: RAND, 2001).

under the People's Republic in 1949. That legacy of wounded national pride has left a deeply ingrained perception among the Chinese that, in order to be secure and avoid potential infringements on China's sovereignty and territorial unity, China must be strong, both at home and abroad. The sense and feeling of insecurity or vulnerability has also empowered the CCP and its ruling legitimacy, by claiming that it will protect China from foreign domination, subversion, and Westernization.<sup>238</sup>

Thus, during the first half of the Cold War era, from 1949 to 1969, Mao had attributed the U.S.-led capitalist camp as the most dangerous enemy to China's security and aligned mostly with the Soviet socialist bloc, despite the fact that the Sino-Soviet split was already emerging by the mid-1950s. During that time, Beijing also attempted to forge closer ties with the Non-Aligned states by espousing, in the 1954 Bandung Conference, the Five Principles of Peaceful Coexistence: (1) mutual respect for sovereignty and territorial integrity; (2) mutual nonaggression; (3) noninterference in internal affairs; (4) equality and mutual benefit; and (5) peaceful coexistence.<sup>239</sup> Then, in the latter half of the Cold War, from 1969 to 1989, the transition from MAO Zedong to DENG Xiaoping witnessed Beijing's normalizing relations with Washington, for the Soviet "hegemony" was viewed as the principal threat to China's national security interests.

In sum, China's Cold War grand strategy, according to Avery Goldstein, was predicated upon the Maoist "united-front" strategy, which called for teaming up with all the possible coalition of allies, irrespective of their ideological differences, in order to fight against a principal adversary. And, if the nature of the primary foe has changed, so should the cast of the alliance.<sup>240</sup> Michael Swaine and Ashley Tellis describe it as a "weak-state" approach, in which the "Chinese state relied for the most part upon a security strategy keyed to external balancing through shifting strategic relationships with the United States and Soviet Union, combined with the maintenance of a strong yet technologically unsophisticated defensive force designed to deter attacks on Chinese territory, not to project Chinese influence and presence beyond the heartland."<sup>241</sup>

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238. Evan Medeiros, *China's International Behavior*, p. 10; Andrew Nathan and Andrew Scobell, *China's Search for Security*, p. 33.

239. Avery Goldstein, *Rising to the Challenge*, pp. 21-22.

240. Avery Goldstein, *Rising to the Challenge*, p. 20.

241. Michael Swaine and Ashley Tellis, *Interpreting China's Grand Strategy*, p. 78.

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When Deng inaugurated China's economic reform and internationalist foreign policy in the 1980s, he made it clear that "any country that closes its door to the outside world cannot achieve progress."<sup>242</sup> Consequently, in addition to maintaining China's internal political stability, preserving sovereignty and territorial integrity, and revitalizing international status and respect, economic development had also become a major policy priority for Beijing in the post-Cold War era. Indeed, Deng's 1992 aphorism "only development has real meaning" remains a pervasive influence on China's foreign policies."<sup>243</sup> Economic growth and prosperity serve not only the enhancement of domestic stability (and, buttressing CCP's popular support and monopoly of political power) but also the basis for strengthening Chinese international prestige and influence.

While Chinese elites have strived to transform the currently U.S.-dominated unipolar system into a multipolar world order in which China would be one of the many great powers, Beijing ultimately realized that, given America's superiority in its military, economic, and technological powers, it would be a "long period of transition," perhaps taking several decades or longer. Meanwhile, by the mid-1990s, the Jiang administration, in the wake of the Taiwan Strait crisis and South China Sea disputes, understood that China must embark upon a grand strategy that would embrace multilateralism to reassure Asian neighbors that its rising power would not jeopardize their interests while continuing China's economic and military modernization in order to counter any possible constraining or containing acts from the United States and other great powers.<sup>244</sup> Post-Deng leaders have stepped up China's multilateral diplomacy and engagement in a myriad of international and regional (economic and strategic) regimes and forums, including, for instance, APEC, ASEAN Regional Forum (ARF), ASEAN+1, ASEAN+3, East Asian Summit (EAS), Shanghai Cooperation Organization (SCO), Comprehensive Test Ban Treaty, UN Peacekeeping missions, the World Trade Organization (WTO), and the Six-Party Talks on North Korea's nuclear ambitions.<sup>245</sup>

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242. Deng's quote is taken from Harry Harding, *China's Second Revolution: Reform after Mao* (Washington DC: Brookings Institution, 1987), p. 133. See also Erza Vogel, *Deng Xiaoping and the Transformation of China* (Chinese Edition, Taipei: Bookzone, 2012), pp. 622-623.

243. Evan Medeiros, *China's International Behavior*, p. 15.

244. Avery Goldstein, *Rising to the Challenge*, Ch.5. See also Evan Medeiros, *China's International Behavior*, pp. 50-60.

245. *Ibid.*, pp. 77-82; See also Bates Gill, *Rising Star*, Ch. 4.

Moreover, knowing full well that American hegemonic power is unlikely to decline soon and that the U.S.-led liberal international order is conducive to China's own economic development and advancement, Beijing has toned down its goal to create a multipolar system and focused on stabilizing and improving its strategic partnership with the United States.<sup>246</sup> The deepening of economic and strategic interdependence and competition between Beijing and Washington has led WANG Jisi to characterize the U.S.-Sino relationship as "an extremely complex and highly paradoxical unity of opposites."<sup>247</sup> Although viewing the United States as a major challenge to China's national security and domestic stability, Chinese elites also see "America's long-standing presence in the [Asian Pacific] region as a stabilizing factor."<sup>248</sup> In spite of Washington's close alliance with Tokyo, the former would step in to reign in the latter's behaviors if it over-challenges China's interests. For example, when Shinzo ABE, the Japanese prime minister, visited Washington in February 2013 to seek a more robust and explicit endorsement of Japan's heated dispute with China over the Diaoyu/Senkaku Islands and Tokyo's right to a collective self-defense, the Obama administration reacted with reserve and circumspection.<sup>249</sup> As detailed in Chapter II, the Bush administration's frequent interventions in the Taiwan Strait to restrain CHEN Shui-bian from changing the status quo was welcomed by the HU Jintao government. In short, from the Chinese perspective, American influence in Asia is not entirely negative, and this is especially true when Beijing needs to place far greater attention on China's numerous pressing internal problems.<sup>250</sup>

This is in accordance with Deng's warning that China should not create unnecessary hostility with foreign powers but should "*taoguang yanghui*" (hide our light and nurture our strength).<sup>251</sup> As a result, in 1997, Jiang coined the "new security concept" to urge

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246. G. John Ikenberry, "The Rise of China, the United States, and the Future of the Liberal International Order," in David Shambaugh, ed., *Tangled Titans*, pp. 53-73. Randall Schweller and XIAO Yu, "After Unipolarity: China's Visions of International Order in an Era of U.S. Decline," *International Security* 36, no. 1 (Summer 2011), pp. 41-72.

247. WANG Jisi, "China's Search for Stability with America," p. 46.

248. Rosemary Foot, "Chinese Strategies in a U.S.-Hegemonic Global Order," p. 89.

249. "Japan and America: Spin and Substance," *The Economist* (March 2, 2013), accessible at: <http://www.economist.com/news/asia/21572795-should-united-states-be-impressed-shinzo-abe-or-worried-him-spin-and-substance>.

250. ZHENG Bijian, "China's 'Peaceful Rise' to Great-Power Status" p. 21.

251. Andrew Nathan and Andrew Scobell, *China's Search for Security*, p. 29.

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countries to “rise above one-sided security and seek common security through mutually beneficial cooperation.”<sup>252</sup> In 2004, HU Jintao’s “peaceful development” sought to dispel the “China threats” by telling the international community that “China will not follow the path of Germany leading up to World War I or those of Germany and Japan leading up to World War II. . . . Neither will China follow the path of the great powers vying for global domination during the Cold War. Instead, China will transcend ideological differences to strive for peace, development, and cooperation with all countries of the world.”<sup>253</sup> Furthermore, Hu, in 2007, advocated for the building of a “harmonious world,” which is an extension of his domestic policy of constructing a “harmonious society.” A harmonious world, in essence, is one in which states act in ways that refrain from combative power politics, respect each other’s national sovereignty, tolerate diversity, and promote national development by equitably spreading economic benefits.<sup>254</sup>

China scholars and specialists have long debated whether or not China’s rise is threatening and revisionist.<sup>255</sup> Reality, however, always lies somewhere in between. Therefore, China’s peaceful development strategy is more likely to be a “calculative” and “transitional” one, depending ultimately on the endurance of the U.S. unipolar moment and Washington’s will to stay in Asia.<sup>256</sup> While China has, by all measures, a far more sophisticated and powerful military, technological, and economic capabilities than a decade and a half ago, it still lags behind the United States. Beijing’s rapid military modernization and technological advancement obviously aims at fending-off and deterring possible U.S. interventions (and/or American-led encirclement) in China’s peripheral and regional contingencies, such as the Taiwan Strait and the South/East China Seas. Yet, China, in the words of Susan Shirk, remains a “fragile superpower,” plagued by domestic corruptions, rising economic inequality, social unrest, environmental degradation, growing rift among

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252. Ibid.

253. ZHENG Bijian, “China’s ‘Peaceful Rise’ to Great Power Status,” p. 22.

254. Ibid. See also Evan Medeiros, *China’s International Behavior*, p. 49.

255. See Alastair Iain Johnston, “Is China a Status Quo Power?” *International Security* 27, no. 4 (Spring 2003), pp. 5-56. For a benign view on China’s rise and East Asian peace and stability, see David Kang, “Why China’s Rise Will be Peaceful: Hierarchy and Stability in the East Asian Region,” *Perspectives on Politics* 3, no. 3 (Sep 2005), pp. 551-554; and David Kang, “Hierarchy in Asian International Relations: 1300-1900,” *Asian Security* 1, no. 1 (January 2005), pp. 53-79.

256. Michael Swaine and Ashley Tellis, *Interpreting China’s Grand Strategy*, pp. 112-150; Avery Goldstein, *Rising to the Challenge*, p. 39.

the ruling CCP elites, and emerging influence of nationalistic and leftist political forces.<sup>257</sup>

It is true that Chinese leaders have, at times, resorted to assertive foreign policy and nationalistic rhetoric to divert attention from domestic problems and to shore up domestic support as in the cases of China's maritime territorial disputes with ASEAN and Japan and in the Taiwan Strait crises.<sup>258</sup> But, in spite of its potency, nationalism is also a "double edged sword." As Cheng LI states, "contemporary Chinese history shows that the practice of trying to distract the public from domestic problems by playing up foreign problems has often ended with regime change. Xenophobic public sentiments can quickly transform into an anti-government uprising."<sup>259</sup> Twentieth century China has offered ample lessons—the Boxer Rebellion of 1900, the May 4th Movement in 1919, and the Communist Revolution in the anti-Japanese war of 1930s and 40s—in which governments were overthrown by heightened and mismanaged nationalist movements.

In fact, CCP elites today have cautiously tried to avoid being cornered by hawkish military and left-wing leaders and public opinion into taking a confrontational approach to foreign policy. Being risk averse and pragmatic, top Chinese decision-makers are unwilling, at least in the foreseeable future, to ruin decades of economic growth and modernization by waging military conflicts with the United States or other regional powers. "In these respects," Goldstein stresses, "China is instead more like Bismarck's Germany, a nationalist rising power whose interests sometimes conflict with others', but one that so far lacks a thirst for expansion, let alone domination, strategic purposes that would pose a serious threat to international peace."<sup>260</sup> The advent of nuclear weapons and continued U.S. hegemonic power, furthermore, serve as extra safeguards against Chinese revisionism.

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257. Susan Shirk, *China: Fragile Superpower*, Chapter. 3.

258. Ibid, pp. 62-64. See also William Overholt, "Reassessing China: Awaiting Xi Jinping," *The Washington Quarterly* 35, no. 2 (Spring 2012), p. 130. For a thorough treatment on the relationship between domestic/elite politics and Chinese foreign policy, see Michael Swaine, *China: Domestic Change and Foreign Policy* (Santa Monica, CA: RAND, 1995); David Lampton, ed., *The Making of Chinese Foreign and Security Policy: In the Era of Reform* (Stanford, CA: Stanford University Press, 2001); and Joseph Fewsmith, *China since Tiananmen: from Deng Xiaoping to Hu Jintao* (New York: Cambridge University Press, 2008).

259. Cheng LI, "Rule of the Princelings," p. 46. See also Susan Shirk, *China: Fragile Superpower*, pp. 64-66.

260. Avery Goldstein, *Rising to the Challenge*, p. 210.

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Hence, in spring 2012, both President HU Jintao and Vice President XI Jinping broached the idea of “building a new type of relationship between major powers.” Specifically, with respect to U.S.-China relations, the Chinese leaders raised four major points: (1) increasing mutual understanding and strategic trust; (2) respecting each other’s core interests and major concerns; (3) deepening win-win cooperation in traditional areas such as economic commerce, science, and technology and also in emerging fields such as energy, environment and infrastructure construction; and (4) sharing international responsibilities to better meet global challenges, and maintain a healthy interaction in the Asian Pacific region.”<sup>261</sup> Hu also reiterated these points in his report to the 18th Party Congress.<sup>262</sup> These propositions suggest a new thinking to replace the traditional realist power transition theory which, as outlined earlier, depicts a gloomy picture of an escalating security dilemma and inevitable clash between the established dominant powers and rising states.

However, XI Jinping’s “princeling” background and his more intimate ties with the military have presented a more hardline image.<sup>263</sup> In February 2009, for instance, while visiting Mexico City,

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261. See “Working Together for a Bright Future of China-U.S. Cooperative Partnership: Speech by H.E. XI Jinping Vice President of the People’s Republic of China at Welcoming Luncheon Hosted by Friendly Organization in the United States,” *Ministry of Foreign Affairs of the People’s Republic of China* (Feb 12, 2012), accessible at: <http://www.fmprc.gov.cn/eng/zxxx/t910351.htm>. See also “Promote Win-Win Cooperation and Build a New Type of Relations between Major Countries: Address by H.E. HU Jintao, President of the People’s Republic of China at the Opening Sessions of the Fourth Round of the China-U.S. Strategic and Economic Dialogues,” *Ministry of Foreign Affairs of the People’s Republic of China* (May 4, 2012), accessible at: <http://www.fmprc.gov.cn/eng/zxxx/t931392.htm>.

262. Michael Swaine, “The 18th Party Congress and Foreign Policy: The Dog That Did Not Bark?” *China Leadership Monitor* no. 40 (January 14, 2013), pp. 1-12.

263. The so-called “*taizidang*” or princeling (elitist) faction, headed previously by JIANG Zemin, and now by Xi, has dominated 5 out of the 7 new Politburo Standing Committee members. This elitist wing is often considered the “royal family” of the CCP and its members regarded as highly loyal to the regime that their fathers had built after 1949. Many of the elites also build up their careers from the more affluent coastal regions in China, including Shanghai, Fujian, and Zhejiang. As the son of XI Zhongxun, former politburo member and vice premier, XI Jinping served, in his early political career, as personal secretary to GENG Biao, then ministry of defense, in the Central Military Affairs Commission, from 1979 to 1982. Even though the fall of the more radical Chonging party secretary BO Xilai has toned down the “redness” of the new leaderships, they may still act more intransigently on various foreign policy stances, including Taiwan. However, it is also important to note that these new leaders (Xi, YU Zhengsheng, and WANG Qishan) have relatively more internationalist background

Xi told Hong Kong media that “there are a few foreigners, with full bellies, who have nothing better to do than try to point fingers at our [China] country. China does not export revolution, hunger, poverty nor does China cause you any headaches. Just what else do you want?”<sup>264</sup> Nonetheless, there seems to be a consensus among Chinese elites, irrespective of their factional affiliations, that peaceful development would persist as China’s overarching foreign policy strategy. Indeed, Xi’s major preoccupation has been domestic affairs, including curbing rampant official corruptions and pursuing bolder economic reforms and restructuring. Xi’s first domestic trip after becoming general secretary was to Shenzhen, the point of origin for DENG Xiaoping’s reform policy. This signaled the new leader’s focus on improving China’s economic performance as a means to lift popular confidence. On January 29, 2013, in his first formal discussion of China’s foreign policy, Xi made it clear that the government “will ensure that the public benefits from China’s peaceful development as well as work to consolidate a material and social basis for furthering its development.” While insisting that the PRC will “never give up [its] legitimate rights and will never sacrifice our national core interests,” the CCP leader stressed that “China will pursue its development by seeking a peaceful international environment while safeguarding and promoting world peace.”<sup>265</sup>

Accordingly, China’s new leaders are likely to continue the peaceful development strategy, though Beijing may act more belligerently on certain peripheral and international issues that pertain to its “core interests.” How China defines “core interests” (whether it will expand from Taiwan and Tibet to include other peripheral maritime and island territories in the South and East China Seas) will

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than their predecessors. The other rival faction within the CCP is the “*tuanpai*” or the Chinese Communist Youth League (CCYL), also known as the populists. The populist coalition is headed by HU Jintao, WEN Jiabao, and the new premier LI Keqiang. This group usually comes from the poorer region and China’s hinterlands, hence putting greater concerns on social justice and equality such as affordable housings and health care. See Cheng LI, “China’s Top Future Leaders to Watch: Biographical Sketches of Possible Members of the Post-2012 Politburo, Parts I and II,” *China Leadership Monitor* no. 37 and no. 38 (Fall 2012) and ZHENG Yongnian, *The Chinese Communist Party as Organizational Emperor* (New York: Routledge, 2010), Chapter 4. See also “The New Members of China’s Ruling Body,” *The New York Times* (Nov 14, 2012).

264. Akio YAITA, *Xi Jinping*, p. 205.

265. “Xi Vows Peaceful Development while Not Waiving Legitimate Rights,” *The Xinhua News Agency* (January 29, 2013), accessible at: [http://news.xinhuanet.com/english/bilingual/2013-01/29/c\\_132136438.htm](http://news.xinhuanet.com/english/bilingual/2013-01/29/c_132136438.htm).

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certainly affect its relations with neighboring countries as well as the United States. Since it is still early in Xi's administration, it remains to be seen how Beijing would charter its peaceful development policy.<sup>266</sup> On the Taiwan issue, Xi's former political experience in Fujian and Zhejiang has provided him with many opportunities to interact with Taiwanese businessmen. Therefore, his familiarity with Taiwan affairs may put him in a better position in dealing with the island. He may act more flexibly with Taiwan. On the other hand, as a "princeling," he may also press Taipei into signing a political agreement to tie the hands of future Taiwan leaders. To be sure, post-Deng leadership is based increasingly on collective leadership and decision-making, including Taiwan and foreign affairs, has become more bureaucratic, pragmatic, and consensus-oriented. Therefore, greater institutionalization of the policymaking process may ensure a certain degree of continuity and moderation. However, during times of crisis or international uncertainty, China's brittle domestic politics could also lead to a situation in which parochial minded nationalists and military interests using "collective leadership" as a means to "hijack" power in the decision-making processes and to press for more hawkish foreign policy.<sup>267</sup> If that is the case, China's peaceful development strategy could be undermined and overturned.

Such scenarios, nonetheless, have not occurred during the Taiwan Strait crises of 1995-96 and 2003-06, the U.S.-China frictions in 1999 and 2001, and the Sino-Japanese maritime territorial disputes. Aside from some episodic nationalistic outpouring and protests during these crisis situations, JIANG Zemin and HU Jintao were poised and held tight control over their respective foreign policy agenda.<sup>268</sup> Likewise, XI Jinping has pledged to continue the course

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266. At the 12th NPC meeting in March 2013, Xi told the PLA delegates that Chinese military should be strong and absolutely loyal in order to revive the "Chinese dream." Xi officially assumed China's presidency on March 14, 2013, hence inaugurating the Xi Jinping-Li Keqiang administration. See "China's New Leader Takes Full Power in Delicate Balancing Act," *The New York Times* (March 14, 2013), accessible at: <http://www.nytimes.com/2013/03/15/world/asia/chinas-new-leader-xi-jinping-takes-full-power.html?pagewanted=all>. See also "China's Parliament Elects New State Leadership," *The Xinhua News Agency* (March 14, 2013), accessible: [http://news.xinhuanet.com/english/china/2013-03/14/c\\_132233769.htm](http://news.xinhuanet.com/english/china/2013-03/14/c_132233769.htm).

267. On the relations between Beijing's Taiwan policymaking bureaucracies, elite politics, and the evolution of PRC's Taiwan grand strategies, see Michael Swaine, "China's decision-making Regarding Taiwan, 1979-2000." See also Andrew Nathan and Andrew Scobell, *China's Search for Security*, Ch.2.

268. Avery Goldstein, *Rising to the Challenge*, pp. 177. See Andrew Nathan and Andrew Scobell, *China's Search for Security*, pp. 47-48.

of peaceful development even as China is expected to become increasingly powerful and assertive in the second decade of the twenty-first century.<sup>269</sup>

## 2. *HU Jintao, XI Jinping, Peaceful Development in Cross-Strait Relations: Engagement and Deterrence*

The re-acceptance of the “1992 consensus” by Taipei after May 2008 jumpstarted the recent cross-strait rapprochement. After enduring years of Taiwan Strait impasse, the PRC leaders apparently believe that a stable cross-strait relation would best serve China’s national interest, especially since there remain numerous domestic socioeconomic challenges for the CCP.<sup>270</sup> Thus, as long as Taiwan refrains from separatist policies and recognizes the “1992 consensus,” Beijing has no immediate concerns. It would be prudent to engage Taiwan through a more relaxed interpretation of the “one China” principle and beneficial socioeconomic ties.

In the wake of Ma’s successful reelection in January 2012, WANG Yi reaffirmed Beijing’s commitment to a “step-by-step approach” to peaceful development of cross-strait relations, with easy and economic things to be addressed first. While expressing the hope of eventually creating conditions conducive for a cross-strait political agreement, the TAO director also acknowledged that more time is needed to overcome difficulties and differences between the two sides. The “1992 consensus” was referred to as the political foundation, in which both sides “adhered to the common ground of one China and setting aside political differences.”<sup>271</sup> Beijing’s reaction toward Ma’s “one ROC, two areas,” as stated in the president’s second inaugural address, was also poised.

While many Chinese observers voiced their disappointment that Ma did not more forcefully uphold the one-China principle,<sup>272</sup> the TAO spokesman, YANG Yi, coolly asserted that the “mainland was not surprised to hear Ma’s statement, as it was consistent with his previous policies.” Departing from the previous “principal-subordinate relationship” that characterizes the relations between Beijing and Taipei, he noted that “the fact that both sides of the

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269. *Ibid.*, p. 62. See also Akio Yaita, *Xi Jinping*, pp. 272-274.

270. Qiang XIN, “Beyond Power Politics,” pp. 531-532.

271. Wang’s position on cross-strait relations after Ma’s reelection is clearly outlined in “Consolidating Cross-Strait Relations: Starting a New Era of Peaceful Development,” (April 16, 2012), accessible at: [http://www.qsttheory.cn/zxdk/2012/201208/201204/t20120412\\_150797.htm](http://www.qsttheory.cn/zxdk/2012/201208/201204/t20120412_150797.htm).

272. Alan Romberg, “Shaping the Future,” pp. 6-7.

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Taiwan Strait are part of one China has never changed. . . . We consider any statements, ideas or policies that adhere to this fact to be positive and conducive to the peaceful development of cross-strait relations.”<sup>273</sup> Nonetheless, JIA Qinglin, then-chairman of the Chinese People’s Political Consultative Conference (CPPCC), stirred up some wrinkles when he remarked at the 8th KMT-CCP forum in July 2012 that “both the mainland and Taiwan belong to the *same country*. . . .”<sup>274</sup> Many in Taipei interpreted that Beijing was aiming to change its stance, from the more evasive “one China” to the more definitive “one country.” However, WANG Yi immediately commented on the issue, seeking to put down any skepticism. He stated that “our one-China principle has not changed and will not change.”<sup>275</sup> In November 2012, President HU Jintao, in his report to the 18th Party Congress, while reaffirming Beijing’s “resolute opposition” to Taiwan’s independence, restated the importance of following the “1992 consensus” and urged both sides to “jointly explore cross-strait political relations and make *reasonable arrangements* for them under the special condition that the country is yet to be reunified.”<sup>276</sup> YU Zhengsheng of the new Politburo Standing Committee, who, on March 11, 2013, assumed the chairmanship of the CPPCC and a leading role in the Taiwan Work Central Leading Small Group, also called for efforts to “comprehensively implement the important thought of peaceful development of cross-strait relations.”<sup>277</sup>

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273. “Mainland Hopes to Enhance Political Trust across Taiwan Strait,” *CCTV News* (May 30, 2012), accessible at: <http://english.cntv.cn/20120530/113651.shtml>.

274. “Weighing up JIA Qinglin’s Statement on Cross-Strait Ties,” *Want China Times* (August 14, 2012), accessible at: <http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20120814000066&cid=1701>. *Emphasis added*.

275. See “Both Sides Belonging to One Country, Wang: ‘One-China Principle’ Has Not Changed,” (August 10, 2012), accessible at: <http://www.cna.com.tw/News/aCN/201208100349.aspx>.

276. “Full Text of HU Jintao’s Report at 18th Party Congress,” *The Xinhua News Agency* (November 17, 2012), accessible at: [http://news.xinhuanet.com/english/special/18cpcnc/2012-11/17/c\\_131981259\\_11.htm](http://news.xinhuanet.com/english/special/18cpcnc/2012-11/17/c_131981259_11.htm). *Emphasis added*.

277. Taiwan Affairs Office of the State Council PRC, “Peaceful Development of Cross-Strait Relations Stressed,” (Feb 19, 2013), accessible at: [http://www.gwytb.gov.cn/en/Headline/201302/t20130220\\_3800247.htm](http://www.gwytb.gov.cn/en/Headline/201302/t20130220_3800247.htm). Like his predecessors, XI Jinping will serve as the head of the Taiwan Work Central Leading Small Group. See <http://udn.com/NEWS/MAINLAND/MAI1/7711878.shtml>. As a princeling (protégé of both DENG Xiaoping and JIANG Zemin), YU Zhengsheng has an extraordinary political and family background. He has ties to China’s as well as to Taiwan’s political and military heavyweights—his grandfather’s brother, YU Dawei served as defense minister under CHIANG Kai-shek. While serving as Shanghai’s party secretary (from 2007 to 2013), Yu cultivated strong connections with Taiwan’s businesses and entrepreneurs.

President Ma, in his New Year address on January 1, 2013, reaffirmed his aspiration to cooperate with the incoming XI Jinping administration in continuing to “promote peaceful development across the Taiwan Strait on the basis of the ‘1992 consensus,’ whereby each side acknowledges the existence of ‘one China’ but maintains its own interpretation of what that means.”<sup>278</sup> As a response, in his meeting with LIEN Chan on February 25, 2013, XI Jinping pledged to carry forward the “peaceful development of cross-strait ties,” suggesting that his administration will continue to “maintain consistencies in policies toward Taiwan, by unswervingly uphold[ing] the one-China principle and continuing to promote cross-strait exchanges and cooperation.” While adding that it is the duty of the CCP to promote “peaceful reunification,”<sup>279</sup> Xi also agreed when the KMT honorary chairman stressed that “both Taipei and Beijing base their *legal and government systems* on the one-China principle, under which Taiwan is a part of China, as is the Chinese mainland.” In other words, Taiwan and mainland China share a special relationship within the “one-China framework.”<sup>280</sup> Lien further cited the “1992 consensus” to reaffirm the importance of “seeking common ground while shelving differences.”<sup>281</sup> Xi responded that: “Of course, we also are soberly aware that historical problems remain in cross-strait relations, and that

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See CHENG Li, “China’s Top Future Leaders to Watch,” pp. 6-7. See also XIA Fei & CHENG Gongxi, *The Seven Politburo Standing Committee Members*, pp.319-320. News report on Yu’s taking over as the chairman of the CPPCC on March 11, 2013 is accessible at: <http://udn.com/NEWS/MAINLAND/MAI1/7751653.shtml>. For a thorough discussion of China’s Taiwan policymaking apparatus and the Taiwan Work Central Leading Small Group, see Michael Swaine, “Chinese Decision-Making Regarding Taiwan, 1979-2000,” in David Lampton, ed., *The Making of Chinese Foreign and Security Policy*, pp. 289-336.

278. “Full Text of President Ma’s New Year Day Address,” *Focus Taiwan* (January 1, 2013), accessible at: [http://focustaiwan.tw/ShowNews/WebNews\\_Detail.aspx?Type=aIPL&ID=201301010005](http://focustaiwan.tw/ShowNews/WebNews_Detail.aspx?Type=aIPL&ID=201301010005).

279. “Xi Meets KMT’s Lien, Stresses Cross-Strait Ties,” *The Xinhua News Agency* (Feb 25, 2013), accessible at: [http://news.xinhuanet.com/english/china/2013-02/25/c\\_132191064.htm](http://news.xinhuanet.com/english/china/2013-02/25/c_132191064.htm). See also “China’s Xi to Tread Peaceful, Patient Path on Taiwan,” *The Chicago Tribune* (Feb 25, 2013), accessible at: <http://www.chicagotribune.com/news/sns-rt-us-china-taiwanbre91o0cc-20130225,0,2667391.story>.

280. “Talk of the Day: KMT Honorary Chairman Meets Top Chinese Communist,” *Focus Taiwan News Channel* (Feb 26, 2013), accessible at: [http://focustaiwan.tw/ShowNews/WebNews\\_Detail.aspx?ID=201302260039&Type@OD](http://focustaiwan.tw/ShowNews/WebNews_Detail.aspx?ID=201302260039&Type@OD). *Emphasis added*.

281. “China Focus: Xi Jinping Says CPC Has Duty to Promote Cross-Strait Ties,” *The Xinhua News Agency* (Feb 25, 2013), accessible at: [http://news.xinhuanet.com/english/china/2013-02/25/c\\_132191442.htm](http://news.xinhuanet.com/english/china/2013-02/25/c_132191442.htm).

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there will be issues in the future that will require time, patience, and joint effort to resolve.”<sup>282</sup>

These statements, though eliciting criticisms from the DPP and its supporters,<sup>283</sup> illustrate that Chinese officials have, to some extent, rallied behind Ma’s “one ROC, two areas” concept, by describing both Taiwan and the mainland equally belonging to a one China, while the political meaning can be set aside. In a press conference on February 27, 2013, the TAO spokeswoman FANG Liqing hailed LIEN Chan’s new interpretation of the “one-China framework.” Essentially, she commented that both sides’ agreement on basing the one China principle on their respective “legal and government systems” would have “significant and positive effects in further consolidating and deepening mutual political trust.”<sup>284</sup> It is important to note that the emphasis on each side’s formal political institutions reveals Beijing’s increasingly positive attitude toward the existence of the Republic of China on Taiwan.<sup>285</sup> As a matter of fact, HU Jintao raised this idea as early as in March 2004.<sup>286</sup> In March 2012, the Chinese leader reiterated this thought when meeting with KMT’s honorary chairman WU Po-hsiung. Hu remarked that the CCP should view cross-strait situations “objectively,” that is, the “fact that [both] the mainland and Taiwan belong to one China [is] in line with the *current cross-strait rules* and should be observed by both sides.”<sup>287</sup> TAO’s elaboration on February 27, 2013, therefore, provided a greater “tone of implicit approval” of “one China, respective interpretations.”

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282. “China’s Xi to Tread Peaceful Patient Path on Taiwan,” *The Chicago Tribune* (Feb 25, 2013), accessible at: <http://www.chicagotribune.com/news/sns-rt-us-china-taiwanbre91o0cc-20130225,0,2667391.story>.

283. “Lien’s Cross-Strait Formula Erases Taiwan: DPP,” *The China Post* (Feb 26, 2013), accessible at: <http://www.chinapost.com.tw/taiwan/china-taiwan-relations/2013/02/26/371354/Liens-cross-strait.htm>.

284. “Mainland Hails Lien Chan’s Visit,” *People’s Daily Online* (February 27, 2013), accessible at: <http://english.peopledaily.com.cn/90785/8146433.html>.

285. “Lien Chan Ti ‘Liang’an Falu Ge Shishi Yizhong: Guotaibang Zantong’” [Lien Chan’s Proposal on Both Sides’ Legal and Political Systems Implementing Their One-China Principle Respectively Received Support from the State Council’s Taiwan Affairs Office] *The United Daily* (Feb 28, 2013), accessible at: <http://udn.com/NEWS/MAINLAND/MAIN2/7726619.shtml>.

286. “Hu’s Four-Point Guidelines on Cross-Strait Relations,” (March 4, 2004), accessible at: [http://www.gwytb.gov.cn/en/Special/OneChinaPrinciple/201103/t20110317\\_1790120.htm](http://www.gwytb.gov.cn/en/Special/OneChinaPrinciple/201103/t20110317_1790120.htm).

287. “Hu Reiterates Opposition to ‘Taiwan Independence’” *The Xinhua News Agency* (March 22, 2012), accessible at: [http://news.xinhuanet.com/english/china/2012-03/22/c\\_131483663.htm](http://news.xinhuanet.com/english/china/2012-03/22/c_131483663.htm). *Emphasis added.*

To be sure, China's military deterrence toward Taiwan remains real. Indeed, since the 1995-96 Taiwan Strait crisis, Beijing has been building up its missile, naval, air, space, and electronic projection powers, aiming at possible contingencies in the nearby waters, disputed maritime territories, and, of course, the Taiwan Strait. Chinese investment in anti-access/area-denial (A2/AD) capabilities and cyber-information warfare is to undermine, delay, and deny extended U.S. deterrence in the region.<sup>288</sup> China also has not given up on restricting Taiwan's international space, as illustrated by Beijing's stern warning to the new pope of the Vatican to not give too much leeway to Taiwan.<sup>289</sup> Moreover, other uncertainties are still ahead as the CCP's ruling legitimacy may become more dependent on national rejuvenation and unification, and that the DPP may very well regain political strength in 2014 and 2016. As a result, revealing a sense of urgency, Hu also indicated in his 18th Party Congress report that cross-strait political issues should be addressed: "We hope the two sides will discuss the establishment of a cross-strait confidence-building mechanism for military security to maintain stability in their relations and reach a peace agreement through consultation so as to open a new horizon in advancing the peaceful growth of these relations."<sup>290</sup>

While HU Jintao has raised these issues in other speeches and did not set a precise timetable in the report, WANG Yu-chi, the new head of MAC, contended that "if the mainland means to engage in talks related to reunification, then this could not be possibly accepted by mainstream opinion in Taiwan."<sup>291</sup> On February 26, 2013, in their last meeting before HU Jintao retired from China's politics, LIEN Chan broached the idea that cross-strait political dialogue and negotiations will be "unavoidable in the future." It is unclear whether President Ma was consulted before Lien made his remarks, though it is important to note that the MAC immediately stepped out to iterate that the KMT honorary chairman spoke

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288. On China's military modernization, see Ashley Tellis and Travis Tanner, eds., *China's Military Challenge*, especially Chapters 1-5.

289. "China to New Pope: Welcome, But Stay Away from Taiwan," *The Washington Times* (March 14, 2013), accessible at: <http://www.washingtontimes.com/news/2013/mar/14/china-new-pope-welcome-stay-away-taiwan/>

290. "Full Text of Hu Jintao's Report at 18th Party Congress," *The Xinhua News Agency* (November 17, 2012), accessible at: [http://news.xinhuanet.com/english/special/18cpenc/2012-11/17/c\\_131981259\\_11.htm](http://news.xinhuanet.com/english/special/18cpenc/2012-11/17/c_131981259_11.htm).

291. "China Will Step-up Pressure on Taiwan for Political Talks: MAC," (December 5, 2012), accessible at: [http://focustaiwan.tw/ShowNews/WebNews\\_Detail.aspx?ID=201212050045](http://focustaiwan.tw/ShowNews/WebNews_Detail.aspx?ID=201212050045). See also Alan Romberg, "Following the 18th Party Congress," pp. 2-3.

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merely in his “private capacity” and did not represent any “official view.”<sup>292</sup> Lien also indicated that his proposition entailed simply a rudimentary plan and should be explored and discussed by NGOs and academic think tanks across the strait.<sup>293</sup> See Table 4 below which illustrates China’s peaceful development approach toward Taiwan.

Beijing’s Strategies	PRC’s Peaceful Development and Implications
Engagement	Downplaying political differences; more flexible on “one China”; relying on socioeconomic exchanges and interdependence to win hearts and minds
Deterrence	Chinese growing missile, naval, air, and cyber/electronic warfare capabilities in the Taiwan Strait to prevent independence and to also deny and delay possible U.S. interventions

**Table 4: PRC’s Peaceful Development in Cross Strait Relations and Implications**

At least for the time being, Ma has, to a great extent, changed the norms and rhetoric of cross-strait relations. Through the “1992 consensus,” the president aims to limitedly bandwagon with and engage Beijing by reassuring his administration’s adherence to one China and firm opposition to Taiwanese independence. He emphasized that “the people of the two sides of the strait share a common Chinese ethnic heritage. We share common blood lines, history and culture. We both revere our nation’s founding father, Dr. SUN Yat-sen. . .”<sup>294</sup> By the same token, responding to Ma’s congratulatory message after the 18th Party Congress, Xi stated his intent to continue Hu’s peaceful development policy, saying that “both parties could seize the historical opportunity, deepen mutual trust and consolidate the political, economic, cultural, and social foundation for the peaceful development of cross-strait ties. . .to promote the con-

292. “KMT Honorary Chair Visiting China in Private Capacity: MAC,” *Focus Taiwan News Channel* (Feb 26, 2013), accessible at: [http://focustaiwan.tw/ShowNews/WebNews\\_Detail.aspx?Type=aIPL&ID=201302260021](http://focustaiwan.tw/ShowNews/WebNews_Detail.aspx?Type=aIPL&ID=201302260021).

293. “Cross-Strait Dialogue Unavoidable: KMT Honorary Chairman,” *Focus Taiwan News Channel* (Feb 26, 2013), accessible at: [http://focustaiwan.tw/ShowNews/WebNews\\_Detail.aspx?Type=aIPL&ID=201302260016](http://focustaiwan.tw/ShowNews/WebNews_Detail.aspx?Type=aIPL&ID=201302260016).

294. See Ma’s Second Inaugural Address (May 20, 2012), accessible at: <http://english.president.gov.tw/Default.aspx?tabid=491&itemid=27199&rmid=2355>.

tinued peaceful development of cross-strait relations and jointly create a bright future for the Chinese nation.”<sup>295</sup> Xi also urged both Taiwan and China to cooperate in realizing the “Chinese dream” and the “Chinese nation’s great rejuvenation.”<sup>296</sup>

On the other hand, to safeguard Taiwan’s security and sovereignty and retain its flexibility to align with the United States, Taipei also sticks to the OCRI or “one ROC, two areas” concept to distinguish itself from the People’s Republic. In light of China’s rise and growing assertiveness in the Asia Pacific, Taiwan has a strategic imperative to coordinate with the United States. And, this has become even more important as the Obama administration recently announced America’s “rebalancing to Asia” to reinforce its security ties with other Asian countries and to assume the role of a “pivot” to maintain peace and stability in the region. Therefore, OCRI not only equips Taiwan with the defense shield and the soft balancing mechanism against China’s potentially aggressive impulses but also satisfies the Taiwanese public’s aspirations in keeping the status quo and expanding the island’s international space.

#### **D. Conclusion: Diminishing Domestic Support and MA’s Cross-Strait Policy**

Taiwan’s 2012 elections have shown that the DPP’s pro-independence and anti-mainland stances are becoming more of a liability for the party’s political fortune. Even though a great majority of the Taiwanese people has mistrustful feelings toward Beijing and prefers the current cross-strait status quo, TSAI Ing-wen’s defeat has raised the fact that threat-inflation, ethnicity, and sovereignty issues are no longer captivating and best sellers in Taiwan’s maturing democratic politics. People and voters are more concerned about the pressing socioeconomic issues and policies than populist and sensational rhetoric. However, the beauty of a liberal democracy is that the DPP still commands great political capital, and its comeback is highly possible in the upcoming election. As shown by the party’s internal debate about its China policy since spring 2012, the DPP has revealed its intent to charter a more moderate and pragmatic course toward the mainland. In October 2012, the

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295. “Hu, Xi, Call for Efforts to Promote Peaceful Development of Cross-Strait Ties,” *The Xinhua News Agency* (November 15, 2012), accessible at [http://news.xinhuanet.com/english/special/18cpcnc/2012-11/15/c\\_131977330.htm](http://news.xinhuanet.com/english/special/18cpcnc/2012-11/15/c_131977330.htm).

296. “Xi Calls for Cross-Strait Cooperation in Realizing the ‘Chinese Dream,’” *The Xinhua News Agency* (Feb 25, 2013), accessible at: [http://news.xinhuanet.com/english/china/2013-02/25/c\\_132191077.htm](http://news.xinhuanet.com/english/china/2013-02/25/c_132191077.htm).

party's former chairman, Frank Hsieh, made a high-profile visit to the mainland and proposed a "constitutional one-China" framework, hoping that his démarche would serve as a "catalyst for the DPP's closer engagement with Beijing."<sup>297</sup> Despite downplaying Hsieh's initiative, SU Tseng-chang, the DPP chairman, reopened the party's China's Affair Committee to demonstrate his willingness to build a communication channel between the DPP and mainland China.

The inception of a new idea always encounters opposition from the established views and interests. However, once instituted, it may develop a "life of its own" to shape and constrain the policies and behavior of future decision-makers.<sup>298</sup> Ma's "one ROC, two areas" conception may be a case in point for both Taiwan and China. It could have a long lasting impact on cross-strait relations in the future, no matter who is governing. For its part, Beijing should also come to terms with the reality that the Taiwanese people cherish democracy and political autonomy, and aspire to gain greater international exposure. It, therefore, should show greater respect to voices and political opinions that are contradictory to its own. By deemphasizing the one-China principle and focusing on the more practical cross-strait economic, cultural, and functional issues, the PRC leadership may be doing just that.

Nevertheless, a few words should be noted about the recent plummeting of President Ma's public approval rating and the potential effect that it has on his China policy. Domestic politics plays an integral part of a state's foreign policy decision, even though central decision-makers usually assume high prerogatives in dominating and shaping national security or grand strategy policy. The interaction between domestic and international politics is aptly described as the "two-level games."<sup>299</sup> This is especially true for Taiwan's contentious domestic politics and its China policy. As discussed earlier, President Ma, while commanding Taiwan's mainland policy, has reassured the Taiwanese public that political talks with Beijing is not an imminent issue on his agenda and that he

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297. "Frank Hsieh Confirms Visit to China," *Taipei Times* (October 2, 2012), accessible at: <http://www.taipetimes.com/News/front/archives/2012/10/02/2003544157>.

298. Judith Goldstein and Robert Keohane, eds., *Ideas and Foreign Policy* (Ithaca: Cornell University Press, 1993).

299. See Richard Rosecrance and Arthur Stein, eds., *The Domestic Bases of Grand Strategy* (Ithaca, NY: Cornell University Press, 1993). Robert Putnam, "Diplomacy and Domestic Politics: The Logic of Two Level Games," *International Organization* 42, no. 3 (Summer 1988), pp. 427-460.

would not venture into this sensitive area unless backed by firm popular consent. Hence, despite cross-strait détente since May 2008, the Ma administration has been taking a prudent approach. The OCRI or the “one ROC, two areas” reflects these considerations. In fact, on December 14, 2012, the MAC released its most current public opinion survey on the Ma administration’s cross-strait policy. Based on the finding, 70 percent of the Taiwanese people support the government’s handling of the China policy while nearly 55 percent approve the president’s “one ROC, two areas” strategy.<sup>300</sup>

In addition, changes in external relations and circumstances may also foster or reinforce shifts and adjustments in the domestic incentive structures, which, in turn, transform political coalitions, alignments, and support of existing policy.<sup>301</sup> As analyzed, the “one ROC, two areas” policy has high strategic value for Taiwan’s national security, and, from Ma’s 2008 and 2012 electoral victories, also has robust popular support. But, since Ma’s reelection in 2012, in light of Taiwan’s political and socioeconomic woes such as price hikes on important commodities, low and stagnated income, dire economic performance, a widening gap of inequality, pension reform conflicts, and corruption scandals of high-ranking KMT officials, to name just a few — the president’s public approval rating has reached an all-time low, at about 13 percent.<sup>302</sup> The DPP, on January 13, 2013, organized a mass rally and mobilized nearly 100,000 people who were “highly furious” at Ma’s governance and wished to recall the president from power.<sup>303</sup>

While boiling popular discontents are mostly targeted at Ma’s (and his cabinet’s) lackluster domestic policy record, there could still be spillover effects on the president’s mainland policy (such as pressuring him to adopt a more confrontational policy) if the ad-

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300. See the MAC survey reports on December 14, 2012, accessible at: <http://www.mac.gov.tw/ct.asp?xItem=103723&ctNode=6256&mp=3>.

301. See Peter Gourevitch, “The Second Image Reversed: The International Sources of Domestic Politics,” *International Organization* 32, no. 4 (Autumn 1978), pp. 881-912. See also Ronald Rogowski, *Commerce and Coalitions: How Trade Affects Domestic Political Alignments* (Princeton: Princeton University Press, 1989) and Robert Keohane and Helen Milner eds., *Internationalization and Domestic Politics* (New York: Cambridge University Press, 1996).

302. “Taiwan Politics: Ma the Bumbler,” *The Economist* (November 17, 2012), accessible at: <http://www.economist.com/news/asia/21566657-former-heart-throb-loses-his-shine-ma-bumbler>.

303. “Thousands Protest against Ma,” *Taipei Times* (January 14, 2013), accessible at: <http://www.taipeitimes.com/News/front/print/2013/01/14/2003552475>.

ministration's approval ratings continue to descend. Some are already blaming the opening to China as the major culprit for the island's slipping economic competitiveness, limited job opportunities, and rising real estate prices.<sup>304</sup> Students and social activists also accuse the mainland of influencing Taiwan's media in order to shape or restrict political discourse and freedom. Indeed, the same MAC poll has underscored the changes of attitudes toward the "pace of cross-strait exchanges." Whereas in late 2011, 48 percent of the Taiwanese people stated that it was "just right," a year later, that category dropped to 40 percent. Simultaneously, those who think the pace is going "too fast" have increased from 26 percent in November 2011 to 32 percent in November 2012. In addition, close to half of the population continue to perceive Beijing as "hostile" to Taiwan.<sup>305</sup> The China-Japan standoff over the Senkaku/Diaoyu Islands may further exacerbate Beijing's image, portraying it as an aggressive revisionist power bending toward regional hegemony in East Asia. The Ma administration must pay close attention to these negative trends, recognizing that the "unholy mix" of domestic political polarization and "China threat" could easily derail the unprecedented cross-strait peace.

#### IV. CONCLUSION: THE FUTURE OF U.S.-CHINA-TAIWAN RELATIONS

This monograph examines the Taiwan Strait policy of the United States, China, and Taiwan. Washington's longstanding strategic ambiguity policy aims at promoting peace and stability across the Taiwan Strait, deterring both Taipei and Beijing from taking reckless moves and unilaterally changing the status quo. The Obama administration, now in its second term, has maintained its commitment to that policy and insisting that all resolutions must be done peacefully and with the consent of the Taiwanese people. As outlined in Chapter II, cross-strait peace is also an integral component of Obama's engagement plus hedging policy toward China and, more broadly, the "pivot" strategy to the Asian Pacific.

Whereas the United States takes no position on the final resolution of the Taiwan Strait conflict, other than upholding a peaceful and consensual process in reaching any potential outcomes, Taiwan and China each has different calculations and motives. In spite of

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304. Ibid.

305. See the MAC survey results of December 14, 2012, accessible at: <http://www.mac.gov.tw/ct.asp?xItem=103737&ctNode=7366&mp=3>.

the KMT's relatively more pro-mainland stance than the DPP, the Ma administration has, thus far, refused to enter into any political and peace agreements with Beijing, contending instead that all cross-strait political decisions must be approved by the Taiwanese public, a great majority of which would prefer to keep the status quo. President MA Ying-jeou, accordingly, has pledged "no unification, no independence, and no use of force." And, although accepting the "1992 consensus" as the basis of increasing economic interactions with the mainland, the president resolutely stood by the "one China, respective interpretations" or "one Republic of China, two areas" formulation. As noted in details in Chapter III, the "one ROC, two areas" strengthens Taiwan's national security by performing three strategic functions: (1) binding engagement; (2) limited bandwagoning; and (3) soft balancing. Creating an unprecedented era of good feelings across the Taiwan Strait, Ma's policy seeks to establish a pragmatic course that would suit the interests of Taipei, Washington, and Beijing.

The fact that Beijing has relaxed its Taiwan policy by describing both the mainland and Taiwan belonging to "one China," without defining which China, is a positive move. At his first press conference as China's new premier, LI Keqiang expressed that Beijing would continue peaceful development and "to identify new pivots for cross-straits cooperation," by giving "more consideration for the well-being and interests of Taiwan residents so that the two sides can share the fruits of the country's development." At the same time, he stated, "The two sides of the Taiwan Strait belong to one China. Residents on the two sides of straits are compatriots."<sup>306</sup> In a sense, his remarks, like those made by Hu and Xi, once again acknowledged an "equal status" between Taiwan and the mainland under the one-China framework and that cooperation will continue to progress based on reasonable arrangements before touching upon sensitive political issues.

Nonetheless, this rare convergence of interests among Washington, Taipei, and Beijing does not negate the fact that the PRC contains long-term "revisionist" intent with respect to Taiwan, even if it may come only generations later: establishing opportunities conducive to foster eventual reunification. As explained, Beijing's peaceful development may be a "transitional strategy" tailored to

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306. "Premier Li Keqiang Meets the Press Today," *The China Daily* (March 17, 2013), accessible at: [http://www.chinadaily.com.cn/china/2013npc/2013-03/17/content\\_16314030.htm](http://www.chinadaily.com.cn/china/2013npc/2013-03/17/content_16314030.htm).

cope with both the international reality (a U.S. hegemonic system) and domestic challenges at hand. The CCP elites' highest priorities continue to be maintaining internal political stability, preserving sovereignty and territorial integrity, and promoting economic modernization. However, as pointed out, China's quest to vindicate her "century of humiliation" and volatile domestic politics (increasing nationalistic sentiments and interests) may provide impetus for a more hawkish foreign policy. XI Jinping's constant emphasis on the "realization of the great renaissance of the Chinese nation and Chinese dream" and his calling on the military to secure the sovereignty of China could indicate a move toward that direction.<sup>307</sup>

Though it is difficult to predict in the decades ahead whether China will become an aggressive or status-quo power, one can presume with confidence that the emergence of a great power inevitably comes with expanding demands, responsibilities, and interests. The competitive dimension of U.S.-Sino relations, therefore, is likely to increase. On March 9, 2013, the departing Chinese foreign minister YANG Jiechi said at a press conference of the 12th National People's Congress that the incoming Xi administration will "become actively engaged in summits and top leadership diplomacy to further enhance China's international image and raise its international influence."<sup>308</sup> Despite the PRC's maritime and territorial disputes with its Asian neighbors, their trade volumes rose to \$1.2 trillion in 2012, exceeding the total China had with the European Union (EU) and the United States, suggesting Beijing's continued adherence to economic multilateralism to sustain friendly and cooperative regional atmosphere. Further FTA and development negotiations with the ASEAN, Japan, South Korea, and the Shanghai Cooperation Organization (SCO) have also been launched. More-

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307. "New President Xi Jinping Calls for 'Great Renaissance,'" *South China Morning Post* (March 17, 2013), accessible at: <http://www.scmp.com/news/china/article/1192818/new-president-xi-jinping-calls-great-renaissance>.

308. "Xinhua Insight: China More Active in International Affairs," *The Xinhua News Agency* (March 9, 2013), accessible at: [http://news.xinhuanet.com/english/china/2013-03/09/c\\_132221623.htm](http://news.xinhuanet.com/english/china/2013-03/09/c_132221623.htm). Yang will leave the post of foreign minister and assume the position of state councilor, making him China's top diplomat to deal with the United States and a host of other pressing issues between Washington and Beijing. Yang's new assignment, along with the appointment of other well-versed U.S. and Asian diplomats such as WANG Yi and CUI Tiankai as foreign minister and Chinese ambassador to Washington, respectively, reveals the Xi administration's greater concern toward America's "rebalancing" or "pivot" to Asia. "China Names New Team to Secure Its Place in Asia and Face U.S. Competition," *The New York Times* (March 16, 2013), accessible at: [http://www.nytimes.com/2013/03/17/world/asia/china-names-its-new-foreign-policy-team.html?ref=world&\\_r=0](http://www.nytimes.com/2013/03/17/world/asia/china-names-its-new-foreign-policy-team.html?ref=world&_r=0).

over, Xi has followed HU Jintao's "charm offensive" to deepen China's strategic, economic, and energy relations with traditional allies and emerging countries in Latin America and Africa. Soon after taking office, the new Chinese president visited Russia, Tanzania, South Africa, and the Republic of Congo to signal their robust ties.<sup>309</sup> The meeting between Xi and Putin helped solidify the Sino-Russo strategic and economic alliance, and their closer relations may also be targeted against Obama's "rebalance to Asia" policy.<sup>310</sup>

Furthermore, China's rising military power, especially its maritime, air, missile, anti-satellites, and cyber-warfare capabilities have also become more advanced and create tougher challenges for U.S. military forces in the Pacific region. Despite defense spending cuts, America will commit 60 percent of its naval ships to Asia (up from 50 percent currently) by the year 2020 and increase the number of Air Force aircraft in the region by 2017. The U.S. Marines will also beef up their rotational presence in Australia, and the American military will strengthen combat capabilities through greater coordination with the Philippines and Singapore. Moreover, the Pentagon has been developing a new war-fighting doctrine, known as the Air-Sea Battle Concept (ASB) to enhance coordination between air and armor defenses at sea. These, in short, are all signs that competition between China and the United States is becoming more intense both regionally and globally.

However, the important point, as Harry Harding pointed out, is that the "competitive coexistence" between Beijing and Washington can be a positive-sum game and, as a result, should be maintained without spiraling into an antagonistic and risky confrontation—a result that would be detrimental to all in the international system.<sup>311</sup> Both Washington and Beijing should cooper-

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309. Ibid. See also "China's Xi to Visit South Africa from March 26," *Channel News Asia* (March 7, 2013), accessible at: [http://www.channelnewsasia.com/stories/afp\\_asiapacific/view/1258540/1.html](http://www.channelnewsasia.com/stories/afp_asiapacific/view/1258540/1.html). On China's new energy diplomacy in Africa, Latin America, and Middle East, see Evan Medeiros, *China's International Behavior*, pp. 147-168.

310. "China's New Leader, Visiting Russia, Promotes Nations' Economic and Military Ties," *The New York Times* (March 22, 2013), accessible at: [http://www.nytimes.com/2013/03/23/world/asia/xi-jinping-visits-russia-on-first-trip-abroad.html?\\_r=0](http://www.nytimes.com/2013/03/23/world/asia/xi-jinping-visits-russia-on-first-trip-abroad.html?_r=0). Moreover, the controversy over the alleged Chinese sponsored "cybertheft" of Western and American corporate/military secrets in late February 2013 further exacerbated the tense relations between Beijing and Washington. See "Cybercrime: Smoking Gun," *The Economist* (Feb 23-March 1, 2013), pp. 43-44.

311. Harry Harding, "American Vision of the Future of U.S.-China Relations," pp. 390-391.

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ate to ensure that their competition stays at a healthy and mutually beneficial level. As America returns to Asia, it should also recognize China's "insecure" world view and its national interests by not creating an impression it is "containing or constraining China." The so-called "new type of great power relationship," proposed by Hu and Xi, offers a useful blueprint for salutary Sino-U.S. interactions. The Obama administration echoed favorably to this idea when former secretary of state Hillary Clinton spoke, "Together, the United States and China are trying to do something that is historically unprecedented, to write a new answer to the age-old question of what happens when an established power and a rising power meet. . . what we are trying to do is to build a resilient relationship that allows both of our nations to thrive without unhealthy competition, rivalry, or conflict while meeting our national, regional, and global responsibilities."<sup>312</sup>

On March 11, 2013, in an address to the Asian Society in New York, National Security Advisor Thomas Donilon stated that the United States is "all in" with respect to the Asia Pacific — that the "rebalancing" strategy would continue in President Obama's second term. While reiterating the goals and strategies set out by Secretary Clinton in late 2011 (as noted in Chapter II), the national security advisor further clarified that the "rebalancing" was not about "containing China" but to "sustain a stable security environment and a regional order rooted in economic openness, peaceful resolution of disputes, and respect for universal rights and freedoms." In addition to strengthening American security alliance with Japan, South Korea, Australia, and the ASEAN and building up the "economic architecture" of Trans-Pacific Partnership (TPP), he stressed that the Obama White House looks forward to working closely with China's new leadership. Referring to the notion of competitive coexistence and the imperative to construct a new model of great power relationship, Donilon said,

Of course, the U.S.-China relationship has and will continue to have elements of both cooperation and competition. Our consistent policy has been to improve the quality and quantity of our cooperation. . . . As President Obama has said many times, the United States welcomes

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312. Hillary Clinton's quote is taken from Michael Chase, "China's Search for a 'New Type of Great Power Relationship,'" *The Jamestown Foundation China Brief* 12, no. 17 (Sep 7, 2012), accessible at: [http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=39820](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=39820).

the rise of a peaceful, prosperous China. We do not want our relationship to become defined by rivalry and confrontation. And I disagree with the premise put forward by some historians and theorists that a rising power and an established power are somehow destined for conflict. There is nothing preordained about such an outcome. It is not a law of physics, but a series of choices by leaders that lead to great power confrontation. Others have called for containment. We reject that, too. A better outcome is possible. But it falls to both sides—the United States and China—to build a new model of relations between an existing power and an emerging one. [XI] Jinping and President Obama have both endorsed this goal.<sup>313</sup>

The United States and China, in other words, need to strengthen their channels of communication, including military-to-military dialogue, and to cooperate and manage disagreements over China's more assertive security and peripheral policies, economic relations, human rights, and cyber-security issues. Both have huge stakes in, as well as responsibilities to, a peaceful and stable global system.

Hence, both the XI Jinping and Obama administrations have recognized the importance of searching for a common ground and respecting the interests of the other. For now, at least, this bodes well for the prospect that mutual cooperation and stability would be the way to go for Washington and Beijing. Similarly, Asian states have expressed their intentions not to choose sides and desire a sturdier U.S.-China tie that is conducive to economic multilateralism and prosperity. Though maintaining a stable equilibrium can be difficult, it is the inescapable responsibility of the United States and China to make it work. The cooperative efforts between Beijing and Washington to step up the UN Security Council resolution against North Korea in the wake of Pyongyang's third nuclear test in February 2013 is a positive example. In their telephone conversation shortly after Xi became China's president, President Obama spoke about the need for both countries to work together in addressing a whole range of pressing international issues, including the North Korean nuclear threats, exchange rates, trade, intellectual property rights, and cybersecurity challenges. Obama also in-

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313. "The United States and the Asian Pacific in 2013: Complete Transcript of Thomas Donilon at Asia Society New York," *Asia Society* (March 11, 2013), accessible at: <http://asiasociety.org/new-york/complete-transcript-thomas-donilon-asia-society-new-york>.

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dicated that Secretary of Treasury Jacob Lew and Secretary of State John Kerry will visit China, respectively, in late March and early April to further buttress diplomatic and economic ties. The Chinese leader agreed that the U.S. and China should maintain “frequent and direct communication.”<sup>314</sup>

In short, the costs of conflict in the twenty-first century, whether militarized or not, are too exorbitant for all actors in the international arena. Similar logic applies to cross-strait relations. President Ma’s “one China, respective interpretations” or “one ROC, two areas” have established a foundation for Taiwan-China economic integration, but both sides also understand that more difficult questions, including certain types of political/security arrangements (the so-called “high politics”) may have to be addressed sometime in the future. Ultimately, Taiwan’s future and security depends foremost on America’s defensive commitments to the island, but it is also predicated upon whether Taipei and Beijing can eschew their respective political differences and nationalist sentiments, show greater tolerance of each party’s position, and search for an ingenious solution that maximizes the greatest common interest of both parties.<sup>315</sup>

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314. “Obama Discusses Security Concerns with New Chinese President Xi Jinping,” *The Washington Times* (March 14, 2013), accessible at: <http://www.washingtontimes.com/news/2013/mar/14/xi-jinping-confirmed-as-chinas-new-president/>. See also “Read-out of the President’s Phone Call with Chinese President Xi Jinping,” *The White House: Office of the Press Secretary* (March 14, 2013), accessible at: <http://www.whitehouse.gov/the-press-office/2013/03/14/readout-president-s-phone-call-chinese-president-xi-jinping>.

315. On the possible types of political arrangements and their implications, see Philip Saunders and Scott Kastner, “Bridge over Troubled Water?” *International Security* 33, no.4 (Spring 2009), pp. 87-114. See also the new lineups of officials who will be dealing with the Taiwan affairs after the 12th NPC-CPPCC meetings. See Taiwan’s *United Daily* Report on March 3, 2013, accessible at: <http://udn.com/NEWS/MAINLAND/MAI1/7732447.shtml>. WANG Yi, who served as China’s ambassador to Japan from 2004 to 2007 and managed the Six Party Talks on North Korean nuclear threats, will leave TAO to assume the position of minister of foreign affairs while Zhang Zhijun, deputy foreign minister, will assume the new head of TAO. See “Zhang Zhijun, Tipped to be Next Taiwan Affairs Chief,” *China News Center* (March 3, 2013), accessible at: <http://www.chinamedia.com/news/2013/03/03/deputy-foreign-minister-zhang-zhijun-tipped-to-be-next-taiwan-affairs-chief/>. Zhang is experienced in American and European affairs, but has also been involved in the united front works, as well as dealing with the Six Party Talks and the Senkaku/Diaoyu disputes with Japan. See “Zhang’s Profile,” *United Daily* (March 18, 2013), accessible at: <http://udn.com/NEWS/MAINLAND/MAI1/7767425.shtml>. Chen Deming, the minister of commerce, is said to take over as the head of ARATS. <http://english.peopledaily.com.cn/90785/8158593.html>. The trend that career diplomats are handling Taiwan affairs also suggests that China is treating Taiwan as a foreign affairs issue, hence requiring greater vision, pragmatism,

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and subtlety. <http://news.chinatimes.com/mainland/11050506/112013031700154.html>. On March 21, 2013, in the opening speech to the 11th Cross-Strait Symposium, held in Pingtan, Fujian, Zhang pledged that China would continue peaceful development of cross-strait relations. But, it is interesting to note that he also added “comprehensive advancement” of cross-strait ties. In addition to promoting further economic benefits for Taiwan, he spoke about the need to start political dialogue through cross-strait academic institutions, think tanks, and experts, stressing that “political issues should never be artificially categorized as a restricted area.” To be sure, Zhang maintained that Beijing would not change its current policy toward Taiwan, and that both parties should tackle the easier issues before going for the more difficult ones. However, his remarks signaled that XI Jinping may aim at pushing for greater progress on the political front. The new TAO chief also expressed his desire to visit Taiwan during his term in office. See “Zhang Zhijun, China’s New Taiwan Affairs Head, Outlines Agenda,” *South China Morning Post* (March 23, 2013), accessible at: <http://www.scmp.com/news/china/article/1197552/zhang-zhijun-chinas-new-taiwan-affairs-head-outlines-agenda>. Zhang’s full speech (in Chinese) is available at: [http://www.gwytb.gov.cn/wyly/201303/t20130322\\_3980522.htm](http://www.gwytb.gov.cn/wyly/201303/t20130322_3980522.htm).

**GLOSSARY**  
**SELECTED CHINESE PERSONS' NAMES**

**I. Republic of China (Taiwan)**

CHEN Shui-bian	陳水扁
CHIANG Ching-kuo	蔣經國
CHIANG Kai-shek	蔣介石
HSIEH Frank	謝長廷
LEE Teng-hui	李登輝
LIEN Chan	連戰
MA Ying-jeou	馬英九
SU Chi	蘇起
SU Tseng-chang	蘇貞昌
TSAI Ing-wen	蔡英文
WANG Yu-chi	王郁琦

**II. People's Republic of China**

DENG Xiaoping	鄧小平
HU Jintao	胡錦濤
JIA Qinglin	賈慶林
JIANG Zemin	江澤民
LI Keqiang	李克強
MAO Zedong	毛澤東
WANG Jisi	王緝思
WANG Yi	王毅
WEN Jiabao	溫家寶
XI Jinping	習近平
YANG Jiechi	楊潔篪
YE Jianying	葉劍英
YU Zhengsheng	俞正聲
ZHANG Zhijun	張志軍

