



A Creative Bargain for Peace between China and Taiwan

Doug Bandow

November 21, 2015

Chinese President Xi Jinping and Taiwanese President Ma Ying-jeou recently met in Singapore. Never before has Beijing treated the island's government as an equal. It was a small step for peace, but the circle remains to be squared. China insists that Taiwan is a wayward province, while the vast majority of Taiwanese feel no allegiance to the People's Republic of China (PRC). If, as expected, Taiwan's opposition presidential candidate Tsai Ing-wen wins the election in January, relations between the two states are likely to shift into reverse.

The island of Formosa, or Taiwan, was an imperial Chinese territory, ceded to Japan in 1895 after the latter's victory in the First Sino-Japanese War. The island reverted to China with Tokyo's defeat in 1945, but four years later Taiwan separated from the mainland when the Kuomintang (KMT) government relocated to Taipei following the triumph of the Chinese Communist Party. For decades the Republic of China—ruled by KMT refugees—claimed to be the legitimate government of the mainland, but reality eventually forced Taiwan to abandon that pretense. In 1992 the two governments agreed that there was only one China, but disagreed on what that meant. Taipei continues to promote a separate identity, maintaining diplomatic relations with 21 countries and the Vatican.

The PRC holds a very different perspective: long ago stolen away, the errant province should be returned to Beijing. This attitude is shared by the government and public—even most liberal students I've met—alike. Although Deng Xiaoping famously advocated patience in dealing with Taiwan, Beijing's growing power has encouraged China's leaders to press the island to accept some form of "one country, two systems." The PRC reacted particularly badly when the Taiwanese elected as president the Democratic Progressive Party's Chen Shui-bian, who supported independence. But Beijing's attempts to intimidate Taiwan proved counterproductive.

In recent years, the PRC has hoped that closer economic and cultural ties would move the two countries closer to union. Where war once threatened, ferries now run regularly from the mainland to Taiwan's Kinmen Island. The Ma government agreed to a score of measures easing economic and cultural ties; bilateral trade has almost doubled since 2005 and many Taiwanese businesses have committed to the mainland. Nearly four million Chinese visited the island last year.

Yet Taiwan is steadily moving away from the PRC. The older KMT generation has died off and native Taiwanese gained influence as the island democratized. Younger Taiwanese feel little

connection to the mainland. Last year, students occupied the legislative Yuan for nearly a month to protest a proposed economic accord. A large majority of Taiwanese fear that Beijing will use Taiwan's economic dependence to advance China's political agenda. Although most Taiwanese favor talking with Beijing, more than eighty percent back independence—if it would not trigger Chinese military action. Just 7.3 percent advocated reunification last year, down from twenty percent in 2003.

Now the KMT is likely to lose the presidency and possibly the legislature. Unpopular President Ma presides over a stagnant economy and is seen as too accommodating to Beijing. In desperation, the KMT recently dumped its presidential nominee. The DPP has formally abandoned its support for independence, but no one, least of all China, believes the shift to be heartfelt. The DPP is unlikely to enter into serious negotiations leading to reunification.

Which leaves the PRC's Taiwan strategy in ruins. Continued emphasis on building economic ties means the triumph of hope over experience. Reverting to intimidation would drive Taiwan further away and reinforce regional antagonism toward Beijing. Military action would trigger diplomatic isolation, encourage economic sanctions and risk war with America.

This likely explains President Xi's decision, reportedly over strenuous opposition in Beijing, to meet with President Ma. The last contact between the Communist and Nationalist leaders occurred in August 1945, when the U.S. pressed talks over a coalition government. With President Ma an unpopular lame duck, no substantive agreement was likely. The two presidents merely reiterated the 1992 consensus and issued mostly platitudes. President Ma complained about China's provocative military moves, which President Xi implausibly said were not directed at Taiwan. The two presidents called each other "mister" to avoid officially recognizing the other.

Beijing presumably hoped the meeting would encourage Taiwanese to vote for the KMT in order to further reduce cross-strait tensions. President Xi proclaimed: "History will remember this day" and argued that "There's no force that can separate us, because we are brothers who are still connected by our flesh even if our bones are broken." But few Taiwanese believe that. So he also warned that failure to uphold the 1992 consensus could cause cross-strait relations to "encounter surging waves, or even completely capsize."

President Ma was upbeat, calling the discussions "cordial" and "positive" and describing President Xi as "pragmatic, flexible and frank." But the commitments to additional cooperation were minimal. DPP presidential candidate Tsai criticized President Ma for failing to defend the right of Taiwanese to make their own decisions. Moreover, the transparency of China's gambit worked against its success. Some analysts speculated that the meeting reinforced the KMT's public image as a Chinese patsy.

Nevertheless, the two nations should jaw-jaw rather than war-war, to paraphrase Winston Churchill. At least Beijing decided to engage Taiwan diplomatically, while Taipei believed it had to respond to China's overture.

What happens next remains up to the PRC. It has much at stake in maintaining a peaceful and stable order in East Asia. Nevertheless, nationalism runs deep and Taiwan is seen as part of China by most Chinese. This would not likely change even if the PRC was a full-fledged

democracy. To the contrary, nationalism might be even more dangerous without an autocratic regime capable of suppressing popular passions at critical moments.

Moreover, Taipei is a security concern for Beijing, especially if it is allied with America. A hostile Taiwan would offer a base for operations against the mainland and an impediment to Chinese maritime activities. This concern may grow if the United States increasingly confronts Beijing over its territorial claims elsewhere in the region. While there is no moral equivalence between the United States and Chinese governments, Beijing may see Taiwan roughly how Washington viewed Cuba when the latter was allied with the Soviet Union during the Cold War.

Washington traditionally has responded to cross-strait relations with strategic ambiguity, refusing to spell out its commitment to Taipei. The U.S. thereby hopes to dissuade Taiwan from provoking China and Beijing from threatening Taiwan. But this is a dangerous gamble. In the past Taipei assumed Washington was committed to its security and Beijing assumed that the United States wouldn't risk war over a distant, peripheral interest. The result could be an unnecessary, inadvertent crisis in which American officials must choose between abandoning Taiwan and fighting China.

Now, during a period of quiet, the United States should reconsider its policy toward Taiwan. The island is a worthy friend but irrelevant to American security. Thus, Washington cannot justify risking Los Angeles for Taipei, as one Chinese general bluntly warned. Given the relative interests involved, Beijing might be willing to make the risky wager but it would be irresponsible for Washington to raise the stakes.

Instead, it is worth considering creative bargains which might ensure Taiwan's independence while satisfying Chinese interests. For instance, Washington should warn Taipei that the U.S. will not go to war on the former's behalf. Taiwan should invest in a military sufficient to force China to pay a high price for any attempt at coercion, while maintaining its commitment to an independent existence rather than independence.

The United States should warn the PRC that engaging in coercion against the island would impose a high economic price on Beijing and reduce China's chances of taking on a greater regional and global leadership role. Washington also should encourage its Asian and European allies to communicate a similar message: while no one wants war with the PRC, no one could ignore an attack on Taiwan. Washington could propose a Taiwanese neutrality declaration along with an American promise to forswear any military commitment to or bases on the island. In return Beijing would reduce its threatening missile deployments and forswear military action against Taiwan. The United States could follow reduced tensions by reducing its force presence elsewhere in the region, and especially maneuvers challenging Chinese territorial claims.

There is no easy way to square the Taiwan circle. Indeed, the Ma-Xi meeting made no attempt to do so. However, it created a better atmosphere, however limited, to explore a broader *modus vivendi* including America that could encourage longer-term peace and stability. The United States should take advantage of this opportunity, which might not soon recur if President Tsai takes office next year.

*Doug Bandow is a Senior Fellow at the Cato Institute. A former Special Assistant to President Ronald Reagan, he is the author of several books, including **Foreign Follies: America's New Global Empire** (Xulon Press).*