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The People's Republic and Taiwan

Time for a New Cross-Strait Bargain

by Robert A. Manning and Ronald N. Montaperto

Conclusions

- To avoid renewed PRC-Taiwan tensions and facilitate U.S.-China relations, it is necessary and possible to craft a new cross-strait bargain reflecting new political realities. An initial quid pro quo would be China's renouncing the use of force in return for Taiwan's renouncing independence.

- Though Beijing does not seek reunification in the near term, its pressures on Taipei will abate only if Beijing is convinced that Taipei has given up any intention of declaring independence. From Beijing's perspective, the test of Taipei's intentions will be Taipei's acceptance of the one China principle- something Taiwan is unlikely to do unless it can participate in the United Nations.

- Taiwan's emergence as an economically strong, full-fledged democracy requires a new set of understandings between China and Taiwan and new expectations of both about the U.S. role in the tripartite relationship.

- Washington can play a useful catalytic role in quietly making the case for a new modus vivendi. However, the United States should continue to avoid assuming the role of mediator.

Introduction

The visit of China's Defense Minister Chi Haotian to the United States in December was clearly successful in reinforcing a positive atmosphere and setting the stage for defining a stable, post-Tiananmen Square relationship. It is not yet clear, however, whether the new atmospherics will yield substantive progress. Washington and Beijing continue to disagree on a wide range of issues, including Taiwan, China's World Trade Organization entry, proliferation, and human rights. Of all of these issues, none is more urgent than Taiwan. There can be no permanent improvement in U.S. relations with China until the two establish confidence about their respective policies on the future of the island and its people.

Managing the Taiwan issue requires, first and foremost, an understanding that the dynamic of the China/Taiwan/U.S. triangle has changed fundamentally; Lee Teng-hui's inauguration as President of Taiwan last May culminated a process of change that had been playing out since the mid-1980s. Taiwan's emergence as an economically strong, full-fledged democracy requires nothing less than a new set of understandings between China and Taiwan, and new expectations of both about the U.S. role in

the tripartite relationship. Until a new cross-strait bargain is crafted, the region will continue to live under the shadow of destabilizing conflict and U.S./China relations will remain on the political roller coaster they have followed since 1989. The major question centers upon whether or not it is possible to fashion a new bargain.

A New Cross-Strait Reality: Developments in Taiwan

Taiwan's transformation from an authoritarian political system to a free-wheeling democracy marks a climax of the true revolution: the first Chinese democracy. Moreover, democratic political evolution cannot be separated from a sense of political identity. It is the island's democratic political life, and not just its history or its vibrant economy that is the primary cause of a feeling of separateness from life in China. Lee Teng-hui is correct in his assessment that the majority of the island's residents have little desire to be a part of China as it exists today. Most residents of Taiwan express this feeling indirectly by stating a preference for the continuation of the status quo.

There is also a new interpretation of the term "One China." The ruling Kuomintang (KMT) no longer claims to be the government of all of China. Taipei now defines a new reality consisting of one China, two governments, while professing to adhere to the long-term goal of reunification. In his inaugural address, Lee Teng-hui argued that there were now "two sovereign states," though he went through intellectual contortions to argue simultaneously that Taiwan rejects independence as an option, arguing that independence was "totally unnecessary or impossible...." It is difficult to argue that Taipei still believes there is but one China in the sense captured in the Shanghai Communique. From the perspective of Taipei, the one China, two governments formulation denotes equality in relations across the Taiwan Strait.

The need to respond to the imperatives of "Taiwan Identity" is apparent in Taipei's "pragmatic diplomacy," the strategy by which it seeks to gain greater "international space." Taipei's effort to join the United Nations, Premier Lien Chan's visits to Europe and Central America, and continuing military purchasing missions abroad all reflect an impulse for political recognition and security unattainable under political fictions denying it official status. Such efforts are also essential to acquiring electoral support in Taiwan. Taiwan is no longer willing to be a ghost in the international system.

A final element in Taipei's new reality, which also relates to democratic accountability, is the continuing effort to restructure the government. At a recent 'National Development Meeting' (December 17-19, 1996), the KMT and the opposition Democratic Progressive Party (DPP), agreed inter alia to: abolish the Taiwan Provincial Legislature and the (popularly elected) position of Provincial Governor; strengthen the power of the President relative to the Legislative Yuan (council); reduce the power of the Control Yuan; change the method of electing members of the National Assembly and Legislative Yuan; and, uphold the principle of equality in cross-strait relations. Although the KMT/DPP consensus is not binding, most of the recommendations are likely to be implemented.

These reforms have three important implications. First, whether intended or not, effectively abolishing the provincial government sends a strong signal about Taiwan's changing perception of its own status: it is no longer a province. Second, political restructuring curtails the residual political clout of the old line KMT conservatives, who favor reunification. Finally, the reforms signal a new consensus between Taiwan's major political parties, a consensus based on a true narrowing of differences rather than on political bargaining. Taiwan's elected government is likely to be far more unified and disciplined than in the past and, therefore, more capable of mobilizing public opinion in support of its mainland policies. The reforms will inevitably encourage the further growth of Taiwan identity.

The New Cross-Strait Reality: Developments in Beijing

Beijing remains totally committed to eventual reunification. Moreover, succession politics and the need to achieve a smooth transfer of sovereignty in Hong Kong will prevent very much flexibility in its tactics, at least until the conclusion of the 15th Congress of the Chinese Communist Party (CCP), scheduled for October, 1997.

However, Beijing's position has changed in one extremely important respect: China's leaders believe there is cause for viewing a single trajectory aimed at independence behind Taiwan's internal and international political activities. They are determined to alter that trajectory.

The CCP's present strategy is not to compel reunification in the near term. Rather it is preemptive. Beijing believes-and assesses that Taipei and the United States also believe-that the longer run will see China's national power increase to a point at which it will be able to achieve reunification essentially on its own terms. In the long run, time is on the side of China.

However, CCP leaders are concerned that Taipei might declare independence before Chinese strength finally forecloses that option. Mao Zedong's assertion that China "can wait a hundred years" holds, but the formulation is now qualified by two provisos: first, China wants Taiwan to halt activities it sees as designed to encourage independence; and, second, Beijing wants Taipei to join a process designed to achieve eventual reunification. If Beijing were to be reassured on these two points, cross-strait ties would likely become more stable.

Is a New Cross-Strait Bargain Possible?

The challenge is finding a formula that can accommodate Beijing's "One China" imperative and Taiwan's de jure identity imperative. The question is whether Taipei is prepared to accept "one China, two administrations" rather than "One China, two sovereign governments." This is not mere semantics. The difference is that by conceding to Beijing the principle of sovereignty (the concept of one China), the prospect of accommodating Taipei's desire for more political space might be realizable. It is, in essence, a demand to no longer be invisible internationally. This is not necessarily the same as formal independence, and may be an alternative to it in the near to medium term.

A cross-strait summit would be the appropriate forum to launch the framework for a new understanding. An initial quid pro quo would be China renouncing the use of force in exchange for Taiwan renouncing independence.

There is an alternative between reunification on Beijing's terms (a special autonomous zone in the manner of Hong Kong under Aone country, two systems'), and an independent Taiwan. Any new modus vivendi would have to accommodate the imperatives driving their respective policies: for Beijing, the "One China" principle; for Taipei, de jure recognition as an autonomous political actor.

The starting point-and precondition for Taiwan to cede the sovereignty issue-would be for both sides to agree to defer any final resolution until a decent interval (15-20 years) after Hong Kong's reversion (July 1997), until its future becomes clear. Beijing has given ample reason to doubt the full autonomy its own Basic Law promises will be honored. Thus, no offer to Taiwan can be credible until the world see what Hong Kong's future holds. Likewise, no change in Taiwan's status can succeed unless it is worked out mutually with China.

The new interim understanding-a period which could last a generation-would be based on a "one China" principle, flexibly applied. This is not inconsistent with Taipei's domestic political needs.

In return for putting the independence idea in deep freeze, Beijing and Taipei could build on precedents for allowing Taiwan membership in international organizations and work out formulas that would allow Taiwan the political space it rightly deserves. If mutually acceptable terms can be reached, Taiwan could join the United Nations-with a UN seat or observer status-and could be permitted full membership in such UN institutions as the World Bank, International Monetary Fund, World Health Organization, International Atomic Energy Agency, and other technical agencies. The challenge would be to find a formula and nomenclature that both China and Taiwan could live with. Part of the quid pro quo should be a freeze on Taipei's "pragmatic diplomacy."

Discussions with Chinese officials suggest this may not be as difficult as it may sound. China's offer to hold a summit remains on the table. China and Taiwan have previously worked out formulas to allow Taiwan entry into the Asian Development Bank and the Asia Pacific Economic Cooperation (APEC) forum. Moreover, there are other precedents: both Germanys and both Yemens joined the UN and later unified and the two Koreas, no less committed to reunification, are in the UN. If China persists in its effort to deny Taiwan a higher profile, it will only result in continued confrontation. But Beijing can shape the form Taiwan's larger political posture assumes in a way that preserves face for China yet allows Taiwan a formal political identity. This would be in China's interest as such a breakthrough in Taiwan's status would likely defuse independence sentiment.

Such a bargain is achievable if the political will exists on both sides of the Taiwan Strait. Compli-cating matters is the fact that the respective postures of both sides are shaped more by domestic politics than by calculation of respective inter-ests. It would require a bold initiative by Taiwan's Lee Teng-hui to begin the process. Lee's offer to go to Beijing in his inauguration speech, however, was tempered by his characterization of China and Taiwan as equal sovereign states. It is the principle of sovereignty that Beijing requires; it can be flexible on the implementation. Allowing Taiwan a higher political profile can be done by accepting the reality of "one China," two administrations.

The Role of the United States

The United States in concert with others in the region should be proactive in quietly making the case to both sides for a new modus vivendi. But, while an American effort to catalyze cross-strait dialogue might be helpful, playing mediator would almost certainly be counterproductive.

The legal framework of the three communiques and the Taiwan Relations Act (TRA) which governs U.S. policy remains adequate. But Taiwan's new democracy requires a rethinking of both the interpretation and the application of the communiques. The present posture of reaffirming the U.S. commitment to peaceful reunification by mutual consent and dissuasion of any unilateral change in the status quo is appropriate.

The policy of "strategic ambiguity" should also remain in place. Any effort to break two decades of U.S. policy and provide explicit, unconditional security guarantees, in essence a blank check to Taiwan, is inappropriate. Any unilateral change in Taiwan's status should be opposed, and any mutually agreed upon change, arrived at without coercion, should be welcomed by the United States.

Owing to the TRA, which legally binds the United States to aid Taiwan's efforts to defend itself, the

question of U.S. arms sales to Taiwan may pose a certain short-term complication. China's missile tests make a compelling case for the United States to make available to Taiwan up-to-date Patriot ballistic missile defense systems. This program should proceed. However, if the two sides were to agree to a new bargain, Taiwan's arms purchases would eventually cease to be an issue, and could be at least implicitly, part of a new understanding.

In the long run, this too would work to Taiwan's advantage. All parties agree that the China/Taiwan problem ultimately requires a political solution. Reducing it to military competition is a race that Taiwan cannot expect to win. With the passage of time, the advantage will go to a China whose military will be qualitatively more capable. In the meantime, Taiwan's considerable defense capabilities and the calculated ambiguity of the United States' posture will continue to deter military conflict. A China-Taiwan military conflict would force choices no U.S. friend or ally in East Asia wants to make, and could put our alliances at risk. Neither would a conflict be in China's interest, as the cost in political, strategic, and human terms would far outweigh the benefit.

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