

Cross-Strait Relations: Hope For A Change

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China and Taiwan, at regular intervals grow impatient with the diplomatic patchwork that has kept the island separate from the Communist mainland since 1949. After losing the civil war to Communist Chinese and fleeing to Taiwan in 1949, the nationalist Kuomintang (KMT) leaders of the Republic of China regarded the Communist Chinese government as illegitimate, claiming the mainland as rightfully their own. KMT held power until the election of President Chen Shui-bian and his Democratic Progressive Party (DPP) in 2000. The DPP has engaged in policy that widely departs from the KMT. Since becoming the first non-KMT leader of the Republic of China in Taiwan, President Chen has revitalised efforts to seek Taiwan's sovereignty. Beijing, however, has always regarded Taiwan as its break away province, and has tried repeatedly to convince Taiwan to negotiate a return to the mainland. Economic ties have grown increasingly since the two began serious bilateral exchanges in the 1980s. However the threat of hot war breaking out between the two countries cannot be ruled out entirely. Periodic waves of anti-Taiwan feeling in Beijing, and of pro-independence sentiment on the island, severely test the limit of peace that has prevailed so far.

However, after a decade of defiant Taiwan nationalism, new hope is seen in the cross strait relations since Ma Ying-jeou took office as president of Taiwan in May 2008. Mr. Ma had won the election with a convincing majority, on the promise of cross-strait detente and soon initiated talks with Chinese representatives. By June 2008, the two sides had signed an agreement on charter flights and tourism. But since then Ma's approval ratings have plunged along with Taiwan's stock market; a victim of the global financial crisis. His popularity has also dropped as some fear he's moving too quickly on China. Since then Taipei and Beijing have tried with some success to rebuild relations. On November 2, 2008 Chen Yulin, most senior Communist Chinese official made a historic five- day visit to Taipei as the head of the Association for Relations Across the Taiwan Straits (ARATS, the semi-official body in Beijing that manages relations with Taipei; its Taiwanese counterpart is the Straits Exchange Foundation, or SEF). Chen is the highest-ranking Chinese official to visit Taiwan since 1949. Chen's trip was a very noteworthy step-ahead for the turbulent cross-Strait relationship.

The priority for Ma Ying-jeou government is to have good economic and diplomatic relations with China. These relations are important not only for its own sake, but for the paramount task of strengthening Taiwan's economy, an objective that has become even more pressing – and more difficult – as the world experiences an economic downturn. However the very idea of building a more stable cross-Strait relationship is questioned by many in Taiwan. Taiwan remains divided about its appropriate relationship with Beijing, and Ma Ying-jeou has been challenged since his inauguration about his ultimate intentions and the wisdom of his attempt to strengthen cross-Strait ties. As estimated, half a million protesters turned up at a rally organised by the opposition Democratic Progressive Party (DPP) opposing Chen Yunlin's visit.¹

Since Ma took office, there has been an unprecedented level of discussion between the two governments or their appointed representatives. Those talks have been matched by gestures that reflect and consolidate the gains from the changed atmosphere. The

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agreements reached in November 2008 scrap cross-strait barriers erected in 1949 by the regimes that refused to recognize each other's existence. The deals extend cross-strait passenger flights and shorten travel times. Before, all flights had to go through Hong Kong airspace. The agreement almost triples the direct charter flights between the countries, shortens air routes, allows private business flights, increases the flow of direct shipments through air and sea, improves postal links and shortens delivery time and sets food safety alerts between the two countries.

Such measures will help decrease tensions and provide a foundation for a more stable, enduring, and a peaceful relationship. Few places would seem more in need of, or provide a richer environment for, CBMs than cross-Strait relations. There has also been a joint emergency response exercises between China and Taiwan: teams from both sides of the Strait conducted a search and rescue exercise in the waters between Xiamen and Jinmen where boats ferry passengers hourly as part of the "three mini-links." About 300 people joined in the exercise, using more than 40 transport vessels. Chen Yunlin, and Chiang Pin-kung, signed the agreements recently on April 26, 2009 in Nanjing, by which, the two sides will boost more regular passenger and cargo flights across the Taiwan Strait raising the number of flights to 270 every week, from 108 currently. Taiwan and China will also cooperate to allow financial institutions to set up branches in each other's markets and offer aid to implement financial and monetary regulatory responsibilities to jointly safeguard financial stability. The Chinese side also said that they would encourage and promote mainland businesses to invest in Taiwan, which is a very significant step.

According to the agreement reached, Taiwan and China will also form a currency-clearing system between their respective units; the Taiwan dollar and Chinese yuan. At the initial stage, commercial banks in both territories will provide exchange services. The lack of a foreign-exchange clearing system has been a big obstacle in terms of opening financial markets between the two sides. The two nations will also work together to crack down on crime, including cross-Strait organized criminal syndicates, cases of financial fraud and money laundering.

While progress has been made, future gains have to be safeguarded very cautiously. Such endeavours can only succeed when there is a general endorsement of the process by the leadership as well as public in both, Chinese Mainland and Taiwan. Both countries need to believe that a better relationship is good for them. That is not easy when the two sides have different long-term goals. While an overwhelming majority of Chinese seeks reunification (that is the official goal of government policy), Taiwan is deeply divided about relations with the mainland. Majority of the Taiwanese prefer the status quo, preferring to wait and see how the mainland develops politically and economically in the future.

In this environment, small incremental steps that build confidence have benefits for both sides are critical. Hence the top leadership, particularly on the mainland, can play an important role. They must make the decision to accommodate the needs of the other side and promote improved cross-Strait relations. Without this direction from the top, lower-level officials will not take politically risky initiatives to advance the relationship. One element of this approach is a separation of political and economic discussions. The former should be shelved for now while measures that produce economic benefits will pave the way for future talks about touchy political issues. The Chen visit seems to be based on such calculations. In comments to the press before his departure, he explained

that his talks will focus on economic cooperation: “No political issues pertaining to cross-Straits relations will be involved, nor will Taiwan's internal political affairs.”²

In many respects, progress made so far reflects some modest gains. More substantial gains require more significant gestures on both sides. For its part, mainland China could also make a near-term political gesture by reducing some of the missiles currently aimed at Taiwan and in the longer term take meaningful steps to reverse its military build-up opposite the island. Through bilateral negotiations aimed at a peace accord, Beijing could declare its intention not to use force against Taiwan as long as Taiwan refrains from declaring independence.

Taiwan should persist in expanding its engagement and contacts with the mainland and be flexible in its approach to seeking participation in international organizations. Policymakers in Taiwan must discuss economic and peace accords openly with China for the next five years and promise that they are not interested in an arms race with China. It is especially important that all of Taiwan's political parties learn the meaning of constructive opposition and act responsibly. The extreme partisanship that dominates politics on the island – and manifestations such as the assault on October 2008, on Zhang Mingqing, Chen's deputy, by protestors when he visited Taiwan – only undermine Taiwan's image in the world. Both Taiwan and the mainland should avoid setting preconditions for engaging in dialogue on any specific issues.

Although future of cross-Strait relation depends upon mainland and Taiwan, the US is clearly a factor. The US involvement is established by virtue of the Taiwan Relations Act and its moral commitments to Taiwan and its desire to build a constructive and cooperation relationship with China. The US administration should also reduce its arms sales to Taiwan and make it clear that it supports improvements in cross-Strait relations. It is yet to be seen how the new Obama administration will pursue its policies in this regards.

References

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