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**Policy Discussion and Suggestions about the Relations Across the
Taiwan Strait: A European-French Perspective**

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Since the KMT presidential candidate Ma Ying-jeou's victory on 22 March 2008 in Taiwan, things are moving fast in the Taiwan Strait, feeding much optimism about the future of China-Taiwan relations. There is obviously a window of opportunity that both sides must seize. It can be added that neither Beijing nor Taipei should miss the occasion offered to them to substantially improve and hopefully stabilise and even "*normalise*" cross-Strait relations, since it is probably the first time in nearly 60 years that so many favourable circumstances are met and can help both sides to move forward and create a new framework for the relationship. However, as Beijing and Taipei have both acknowledged, the situation in the Strait can only improve gradually: while functional talks will resume quickly, easing the extension of direct charter flights and tourist exchanges, political and security negotiations will take more time to bear fruits, because they are more closely related to the sovereignty issue, an issue that, although provisionally put aside, will require much political creativity and legal innovation to be addressed. Besides, owing to the growing asymmetry between both sides, while easing economic integration, Taiwan will probably continue to protect itself against any military or economic force threatening its de facto sovereignty.

A cascade of initial positive moves

Ma Ying-jeou was inaugurated on May 20. But as early as Monday March 24, two days after his clear electoral victory, Ma had started to work nearly as if he were already in charge. In early April, he let vice-president elect Vincent Siew participate in the Bo'ao Summit on Hainan island; then, he announced that KMT Vice-Chairman Chiang Ping-kun will be the next Strait Exchange Foundation (SEF) Chairman and will travel to China in June in order to restore and amplify the channel of communication between the SEF and its sister organisation on the mainland, the Association for the relations across the Taiwan Strait (ARATS). In Mid-April a delegation of Chinese real estate entrepreneurs visited Taiwan to explore the soon-to-be offered and partly tourist driven new investment opportunities. On 21 April, Ma made public the names of most of his cabinet members. And a week later, he announced that he had selected as Mainland Affairs Council head, a former Taiwan Solidarity Union legislator, Ms. Lai Shin-yuan. Though it shocked some KMT officials, it was a smart choice since it contributed to re-building a consensus on Taiwan about its relations with China and demonstrated to Beijing that Ma was the president of all Taiwanese and will represent all of them in future negotiations with the mainland. This activism has created much needed upbeat feelings on both sides of the Strait: in Taiwan, because of the expectation of a rapid improvement of an economic situation perceived by many as sluggish;

and in China, where the government would be too happy to divert the attention of the world public opinion away from Tibet and the country's human right situation in offering some good news on the Taiwanese front.

Of course, Ma's activism has had its dose of hic-ups and *faux pas*. For instance, he announced too quickly and obviously without consulting the concerned governments that he wished to visit both the United States and Japan before his inauguration. This revealed rapidly to be unfeasible; here, because of Washington's long list of difficult and urgent topics that it needed to discuss with Beijing and the concessions it expected on some of them from Beijing (North Korea & Iran, more than Tibet and the Olympic torch's transit through San Francisco); and there, because Tokyo was trying to get ready for Hu Jintao's first official visit to Japan in May 2008 and wanted to avoid any fresh difficulties, in addition to a smooth management of China's Olympic torch transit through Japan, before that important encounter.

Nevertheless, on the whole, Ma's initiatives have been well received both in the USA, Japan and the European Union, which all rapidly established discreet but dense channels of communication with the president-elect and his team.

The irony of all this extra-caution of the part of Taiwan's two major partners has been that it was China that showed the largest flexibility in welcoming Vincent Siew, of course in his capacity of Cross-Strait Common Market Foundation chairman and not ROC vice-president elect, on its own soil. Treated with the full protocol reserved to heads or vice-heads of state, Siew was able to meet PRC President and CCP Secretary General Hu Jintao - an unprecedented handshake and exchange of views that underlined the new flexibility that Beijing was ready to demonstrate vis-à-vis the KMT and pan-blue supported future Taiwanese government. In addition, Vincent Siew met with the newly-appointed Commerce Minister Chen Deming, who was reported as sitting in the Taiwan Affairs Small Leading Group chaired by Hu himself. This is an interesting development since before this Group did not include any official responsible for international economic relations but only military, foreign policy and security leaders as well as officials in charge of Taiwan affairs. Regarding this latter meeting, the other striking development is that initially Chen Deming tried to impose a "one China" framework on economic and trade discussions with Taiwan (expansion of charter flights and tourism) but was ready to back down quickly after Siew strongly objected. Chen Yunlin, the director of the Taiwan Affairs Office, whom the Taiwanese vice-president-elect also met, actually demonstrated more openness than Chen, a newcomer in this inner circle of leaders authorised to deal with Taiwan.

Ma Ying-jeou's 20 May 2008 inauguration speech was well-received both in Beijing and Washington, as well as in Brussels and all the European capitals that made a public stance on it. Since this speech has been discussed in other papers (e.g. Christ

Hughes and Tom Hart), I will not add much on it. Most of its content was expected, including the recognition of the “92 consensus” and the mention of Ma’s “three nos policy” (no to independence, unification and use of force). However, in Ma’s speech, two points are worth emphasising: on the one hand, without denying Taiwan’s identity and specific historical background, Ma restored Taiwan’s “Chineseness”, with a clear reference to the “Chinese nation” (*Zhonghua minzu*), creating the basis for a new framework of negotiations with Beijing. On the other hand, he insisted on the Republic of China (ROC)’s need to improve its international status and hope to be reintegrated in the world community. Alluding to the fact that the ROC witnessed a crucial change in 1949 (“the Republic of China was reborn on Taiwan” – *Zhonghua minguo ye zai Taiwan dedao le xinsheng*), Ma implied that the ROC and the People’s Republic of China (PRC) should peacefully coexist on the international stage, making a quasi-transparent reference to the German or the Korean model.

On 28 May 2008, as a sign of good-will and flexibility, when meeting KMT Chairman Wu Boxiong, Hu Jintao indicated that after the SEF and the ARATS resume their dialogue, “Taiwan’s role in international activities could be discussed and priority would be given to the issue of Taiwan’s participation in the WHO”. Wu confirmed this information indicating that “Hu said that talks on how best to reach a consensus on protecting Taiwan’s international space would not be ruled out”. First alluded to when Lien Chan, then KMT chairman, visited China in April 2005, this move may herald the opening of not only discussions of a more political nature but also real negotiations about an “end of hostility agreement” or even “peace accord” (*heping xieyi*). Both sides of the Strait have indicated several times their willingness to reach such a goal.

However, the roadmap to a peace agreement remains hard to draw and even contemplate because Beijing and Taipei will have to address issues of two very different natures: some of them are technical or functional and can be solved rather easily (charter flights, tourism), others bear direct implications in terms of sovereignty and security and will probably be harder, if not impossible, to solve if both sides do not instil a much larger dose of flexibility and, more importantly, creativity in their policy.

Difficulties and obstacles

Obviously, many obstacles still need to be overcome in order to build a genuine *détente* between Beijing and Taipei and guarantee what Hu Jintao called at the 17th Party Congress in October 2007 the “peaceful development of both sides of the (Taiwan) Strait” (*liang’an heping fazhan*). Although unification is not on the agenda and the

2005 anti-secession law has been put on the shelf since it does not really apply to the situation anymore, there are forces on both sides that may be unhappy with the middle-ground path that Ma and perhaps also Hu are willing to follow.

Time and format matter

Time matters. Talks across the Taiwan Strait will probably first concentrate on easier and more technical or economic issues, as the opening of direct air links, e. g. the gradual increase of the number of charter flights and PRC visitors to Taiwan. Domestic factors, as the Green Camp's non-recognition of and opposition to the "1992 consensus" may also slow down any opening of more "political" discussions between Beijing and Taipei, not to mention the possible exchange of (private?) visits of political leaders of both sides.

For these reasons, it is difficult to predict any start of such talks before the end of Ma's first term.

The format of talks does matter as well: Ma will have to rely mainly on SEF-ARATS talks if he wants to minimise the DPP's opposition to negotiations and to keep a close grip on Taiwan's mainland policy. Relying too much on KMT-CCP discussions may become a liability in the future although this channel can allow the visit of high level PRC officials to Taiwan and contribute to establishing more reciprocity in the exchanges of visits across the Strait.

Functional discussions: Towards a "Common Market" across the Taiwan Strait?

It will be probably easier for Taiwan to first negotiate with the PRC a gradual liberalisation and even normalisation of economic and commercial relations. In China, the development of direct air links and tourism is not an issue; on the contrary, people are impatient to see progress on both fronts. Of course, some technical difficulties will have to be solved and respective economic interests will have to be taken into account. But that is an area where talks can move forward first and bear fruits rather quickly after the SEF and the ARATS resume their high level talks in June 2008.

Since Beijing has recognised, since it joined the APEC in the early 1990s Taiwan as an "economic entity" and since it acceded to the World Trade Organisation (WTO) in late 2001, the existence of Taiwan's "customs area", the establishment of a CEPA (Closer Economic Partnership Arrangement) would be possible. Although it would be inspired by the CEPA granted to Hong Kong, it cannot be identical to that accord since it would be impossible for Taiwan to accept being part of the PRC; hence sovereignty issues would have to be left aside. Yet, governmental meetings, even at the ministry level, between economic administration officials should be acceptable to

both sides and somewhat ease the relationship. In any case, they should be encouraged.

However, one of the benefits of such an agreement - or any bilateral accord for instance related to the protection of Taiwanese investments - would be to contribute to normalising economic and trade relations as well as building a stronger degree of confidence across the Strait. Any technical or economic bilateral agreement is also conducive to a better reciprocal recognition of each side's territorial jurisdiction (*guanxia*), a first but crucial step forward that, without solving the sovereignty issue (*zhuquan*), may allow the negotiation of more political or strategic accords in the future.

Having said that, for security reasons, Taiwan cannot fully open its economy or its society to flows of money, investments or people from the PRC. For example, contrary to Hong Kong, Taiwan cannot hope turning itself into a regional financial hub. Such agreements therefore will be hard to negotiate and are likely to remain asymmetrical. Thus, the establishment of a EU-type common market between the PRC and the ROC will remain out of reach as long as sovereignty and security matters are not solved.

Political talks

But what about political talks and a “normalisation without unification”? Ma Ying-jeou has put forward the concept of “mutual non-denial” (*huxiang bu fouden*) that may be a useful avenue for both sides to explore. Mutual non-denial means that short of formal recognition, both sides de facto acknowledge the existence of the other “political entity” or state. Any end of hostility or peace agreement should be based on this “creative ambiguity”.

Another question is the pressure from the new Taiwanese opposition. This pressure is likely to be weaker but Ma will still have to be careful and rebuild a strong consensus before embarking into political talks. It is true that the Democratic Progressive Party is deeply divided and, in spite of ex-Vice Premier Tsai Ying-wen's election as new chair in May 2008 – she is viewed as a moderate and a no-nonsense politician - will need some time before putting together a new political platform and mainland policy. But a too rapid acceleration of the economic integration across the Strait may create new poles of resistance and resentment. Ma will have to keep an eye on the impact of Chinese investments on the prices of real estate, the stock market or tourist facilities. He will also be alerted by the defence community about the new security risks that Taiwan is facing in welcoming more PRC passport holders and economic presence on the island. The more efficient united front strategy deployed by

Beijing and its close relations with a growing number of Taiwanese businesses are conducive to increase the danger of Taiwan's "Hongkongization". Though Ma is aware of these risks, some dark-blue members of the KMT are already pushing in that direction.

In any case, the negotiation of a peace agreement cannot be disconnected from an improvement of the security situation in the Strait and the elaboration of peace-building measures (CBMs) between Beijing and Taipei.

Security talks and confidence building measures

The security situation in the Taiwan Strait remains a problem as the military balance is deteriorating for Taipei and military asymmetry between China and Taiwan is increasing. Here both sides could learn from the European experience.

Of course, CBMs are not going by their own virtue to directly favour a mutual disarmament of the Taiwan Strait area. And disarmament discussions may remain for a long time fruitless, if not impossible to organise, relegating their role to one of a "barometer" of the military tension in the Strait, as it was the case in Cold War Europe yesterday. Nevertheless, CBMs can contribute to relaxing the atmosphere and avoiding unnecessary tensions and accidents in the Strait and, in that respect, improve understanding and communications between both sides and, hopefully, both militaries.

Any future CBMs and security arrangements would have to be - directly or indirectly - negotiated between two governments whose respective militaries are very uneven in size and witnessing very different, if not contradictory developing trends: China's PLA is rapidly modernising and expanding and aimed at achieving a wider diversity of missions (border and maritime security, participation in PKO, Taiwan, balancing the US in Asia) while Taiwan's military is much more stable, if not stagnating, slowly upgrading its equipment and adapting its personnel to its most important new tasks (deter the PLA from attacking, moving the battle away from Taiwan, better protect its strategic facilities, develop some offensive capabilities). In view of China's regional and global objectives, any slowdown of its military modernisation looks impossible.

Of course, the most likely scenario is that the PRC adopts some unilateral CBMs, e.g. a freeze, a de-targeting of its short range missiles or a move away from the Taiwan Strait of some of its weapons that can be projected across the Strait. These decisions should not be totally dismissed since they would contribute to creating a better atmosphere in the Strait. In addition, it must be kept in mind that in the electoral campaign Ma Ying-jeou made the end of the PLA's military threat a condition for opening cross-Strait political negotiations. However, a decrease of the PLA's pressure on

Taiwan will have a good chance of remaining symbolic because any dismantlement of the PLA's missiles seems highly unlikely.

The KMT has indicated its willingness to open bilateral discussions with Beijing to discuss these matters, and conclude a peace agreement of 30-50 years, including military confidence building measures, thereby formally terminating the current state of hostilities¹. Nevertheless, the military asymmetry in the Strait as well as the quasi-total lack of contacts between the PRC and the ROC armed forces will probably force both sides to complement their bilateral negotiation with some direct or indirect talks involving the United States.

Bilateral intra-China(s) agreement

As we have seen, officially the KMT does not think that it is useful for the US to be involved in cross-Strait negotiations. For instance, when he was presidential candidate, Ma Ying-jeou pointed out: "US mediation would not be needed, nor would it be indispensable, in cross-Strait talks in the future...Taiwan and Mainland China are competent enough to settle cross-Strait issues".²

Thus, future talks between Beijing and Taipei would be bilateral. They would encompass all sorts of political, security and economic issues; they are also aimed at favouring the development of a *modus vivendi* (*huolu waijiao* or "surviving diplomacy") for Taiwan's participation in international affairs.

However, such a plan raises multiple difficulties. Two sets of obstacles will have to be overcome: 1) who will be the negotiators on both sides? 2) Can both militaries establish direct contacts before any solution to the sovereignty issue is found?

As indicated above, a reciprocal recognition of each side's respective territorial jurisdiction may help. But can it automatically open the door to direct government-to-government contacts and talks? Can the SEF and the ARATS, flanked with military advisers from both defence ministries, really negotiate CBMs? It is too early to say, and some kind of special and creative albeit fictional construction would probably have still to be worked out.

Under such circumstances can the military of both sides establish a direct channel of communication, and eventually a military hotline (*junshi rexian*)?

Of course, if there is a will, there is a way. However, for a long time, or at least in the initial stage, military contacts are likely to remain indirect and to be established through the US, the only country that enjoys privileged access to both China and Taiwan's militaries.

¹ Ma Ying-jeou, "Peace and Prosperity in the Taiwan Strait: Building a New Vision", Speech delivered at Harvard University, 21 March 2006.

² *KMT News Network*, 3 January 2008.

A Bilateral US-China or a Multilateral International Agreement?

For well-known reasons, the US is the only country with which China has actually accepted to negotiate about Taiwan. And conversely, Taiwan has always occupied an important place in the US's China policy. For instance, in Washington's view, its normalisation with Beijing in December 1978 was closely linked to Deng Xiaoping's decision to promote a peaceful reunification policy towards Taiwan. The 1982 US-China communiqué on the US's gradual decrease of arms sales to Taiwan and Clinton's publication of the "three nos" are other examples of the importance of the Taiwan factor in the Sino-US relations.

More recently, in 2002, Jiang Zemin accepted the idea of bargaining a freeze in the deployment of PLA missiles vis-à-vis Taiwan in exchange of an end to US arms sales to the island. At the time, such a deal was not acceptable to the US side, on these terms in particular. But a linkage between a partial de-militarisation of the Fujian coast and a slowdown of the flow of US arms to Taiwan, and therefore the pace of Taiwan military modernisation was for the first time established.

The "six assurances" given by the Reagan administration to Taiwan shortly before concluding with China the 1982 communiqué "forbad" the US to act as a mediator in the cross-Strait dispute. However, today, this assurance appears less and less useful and may actually become counterproductive, in particular for Taiwan. If both Taipei and Beijing want to conclude a peace agreement that includes CBMs, a US involvement seems inevitable, if not as a *mediator*, then at least as a *facilitator*.

For one thing, the US is the only government able today to negotiate with both sides' military. Although it may be in its interest to perpetuate this indispensable role of intermediary, the US longer term interest is to foster a direct political and strategic dialogue between Beijing and Taipei. And Washington's participation in any discussion on the establishment of CMBs across the Strait can but contribute to reducing the asymmetry between both armed forces and thus strengthen Taiwan's position in any future strategic negotiation.

Does that mean that a multilateral security agreement regarding or including Taiwan can be worked out? Probably not. As Ma indicated in his inauguration speech, Taiwan will strengthen its relations with the US, its "foremost security ally" (*anquan mengyou*). The bilateral security accord between the US and Japan will also continue to provide additional security to Taiwan, but indirectly. The various regional security discussions (six party talks on North Korea) or institutions (Shanghai Cooperation Organisation) in which China today participates are also conducive to convincing the Beijing authorities of the usefulness of multilateral security arrangements. Neverthe-

less, it remains highly unlikely that the US, Japan and China embark into a multilateral negotiation on Taiwan.

This does not mean that the policy developed by other powers on the Taiwan Strait does not have an impact on the parties involved. For instance, the “Guidelines on the EU’s foreign and security policy in East Asia” made public in December 2007 for the first time clearly encourage the negotiation of CBMs across the Taiwan Strait and establish a link between the military balance in the Strait and EU’s sales of military items to the region.

But a European or a Japanese role in any resolution of the differences between Beijing and Taipei will remain at best secondary. And the most likely scenario remains: 1) the negotiation by Beijing and Washington of a bilateral arrangement regarding Taiwan 2) complemented by another bilateral agreement concluded directly between Beijing and Taipei.

Does that mean that previous CBMs or multilateral arrangements negotiated in other parts of the world, e. g. Europe at the time of the Cold War, are totally irrelevant to the Taiwan situation? Not necessarily. The common objective of any CBMs is to create a better confidence and to reduce military and political tension. An intensification of cross-Strait economic and societal interactions will contribute to establishing non-military or *soft* CBMs between Beijing and Taipei; learning, *mutatis mutandis*, from the construction of the European Union, non-official talks across the Strait and bilateral economic or technical agreements as well. But military matters will remain the most tricky to be addressed directly by the PRC and the ROC, without the intermediary of the US as well as the additional diplomatic pressure from Japan and the European Union. For these reasons, only a two-tier security arrangement can be worked out by the three parties involved.

As we can see, many questions will need to be answered before such discussions can start. For these reasons, we may have to wait until Ma’s second term (if he is re-elected) to see them taking shape.

The Role of the European Union

As we suggested above, **the EU’s contribution to peace in the Taiwan Strait will be a modest and indirect one**, and should be mainly aimed at increasing mutual confidence between Beijing and Taipei.

- **The EU’s contribution, once again, should not be launched in opposition to US interests and responsibilities in the Asia-Pacific region.** It should, on the

contrary be based on the idea that the US strategic presence there is a stabilising one; the US role in Taiwan's security remains crucial and cannot be replaced.

- **The EU should convince both sides to show creativity and move beyond the past and unworkable frameworks** (one country, two systems, on one side; a fully independent nation-state without specific relation with China on the other). We have already observed signs of such a move but bolder evolutions should be encouraged. Creativity and flexibility should be the basic principles of any political construction across the Taiwan Strait, using the European Community or Union only as a reference.
- **In other words, the EU must accept an educational responsibility: convincing both Beijing and Taipei to “confront peace”.** For Taiwan this means to better comprehend China's unification quest and for China to better assimilate Taiwan's vision of its own history and identity. Both sides should move from a zero-sum bargaining approach to an approach that, aware of navigating on uncharted waters, can embrace creativity and invent a new institutional framework.
- There is a lot of symbolism in this task but symbolism (national flag, emblem, anthem, etc.) and politics have been closely linked to each other since the very beginning of the cross-Strait dispute. What both parties should eventually accept is that the very process of dialogue across the Strait, which they are about to resume in June 2008, is conducive to changing their respective perception of the other party as well as their past, their identity and future.
- Building peace is, in other words, a task that includes much labour on the structural, relational and cultural features that determine the nature of a given conflict³. In the China-Taiwan case, this work concentrates on the institutions that can be built as well as the respective representations of collective memory and psychosocial apprehensions of “national sovereignty”.
- In order to achieve this goal, the EU should also encourage both China and Taiwan to exchange “security reassurances” and negotiate CBMs: no-use of force on the one hand, in exchange for non-declaration of independence, on the other.

³ Cf. for example: J. Galtung, *Peace by Peaceful Means*, London, Sarge, 1996; Hugh Miali, Oliver Ramsbotham, & Tom Woodhouse, *Contemporary Conflict Resolution*, Cambridge, Polity Press, 1999.

Conclusion

All in all, the new *détente* in the Taiwan Strait is more than welcome and long overdue. We can expect some substantial progress in the coming years. The channels of communication are already restored. The Chinese and Taiwanese societies are going to know each other better and in a less asymmetrical way since more mainland visitors are going to see Taiwan by themselves; useful negotiations and talks are going to take place, contributing to step by step “normalising” the relations between Beijing and Taipei. Nevertheless, we must remain cautious: the diplomatic battle for allies will continue and Taiwan is likely to encounter new setbacks; Ma will pursue his predecessor’s quest for a better international status for the Republic of China; and the military situation will remain problematic, because it is inextricably linked to the great power rivalries between China, the United States and Japan. These great power interests have contributed to protecting Taiwan but also to turning the construction of peace in the Strait into a daunting task. For all these reasons, the EU has a role to play, albeit a modest one: it must be ready to help but also encourage both sides to move further in the right direction.