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Discussion Paper

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**The Democratic Progressive Party's New China Policy and Taiwan's  
Changing Geo-Strategic Environment**

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## The Democratic Progressive Party's New China Policy and Taiwan's Changing Geo-Strategic Environment

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Since the November 2014 “nine-in-one” local elections, the chances of Taiwan’s Democratic Progressive Party (DPP) to come back to power have noticeably increased. In mid-April 2015, it nominated its chairwoman, Dr. Tsai Ing-wen, as its candidate in the January 2016 presidential election, putting again in the race a seasoned politician who had been beaten by Ma Ying-jeou in the previous presidential contest. It has been rightly argued that Ms. Tsai’s defeat in 2012 was largely due to the lack of credibility of her China policy. Indeed, then the priority she gave to building a “Taiwan consensus” over drafting a convincing strategy towards the People’s Republic of China (PRC) worried not only the Obama Administration but also larger segments of the Taiwanese business community, negatively influencing the Taiwanese electorate who reelected Ma with 52% of the vote.

Consequently, the DPP had to adopt a new discourse as well as a new strategy to win the hearts and mind of both Washington and the Taiwanese electorate. This is exactly what Dr. Tsai has embarked upon after 2012<sup>1</sup> and even more so since she became in mid-April 2015 the DPP official presidential candidate, “committing” herself to a “consistent, predictable, and sustainable relationship with China”.<sup>2</sup> Taiwan’s economic stagnation and the deepening social problems have been clearly presented by Ms. Tsai as the key reasons for the need to “maintaining a peaceful and stable relationship with China”. These are strong reasons. But in this paper, I will also argue that the changing geo-strategic environment, e.g. China’s rise and the limits of the Obama Administration’s rebalancing strategy, have also been strong drivers of Ms. Tsai’s more moderate and cautious China policy.

Whether her China and cross-Strait policies fully identify to the DPP’s remain to be seen. As we will see, there has been some criticism of her moderation and ambiguities within her own party. Nevertheless, both for domestic and international reasons, the DPP has no other choice now but to espouse its

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<sup>1</sup> As early as February 2012, Tsai decided to learn the lesson of this defeat and “formulate a new approach and policy towards China”, *South China Morning Post*, February 24, 2012.

<sup>2</sup> Tsai Ing-wen, “Taiwan Meeting the Challenges, Crafting a Model of New Asian Value”, Speech to the Center for Strategic and International Studies (CSIS), Washington DC, June 3, 2015, <http://english.dpp.org.tw/dr-tsai-ing-wen-speaks-at-center-for-strategic-and-international-studies/> (accessed September 1, 2015).

designated candidate's own language and strategy, at least until she wins the January 16, 2016 ballot.

In a nutshell, contrary to 2012, in the 2016 presidential race, DPP candidate Tsai's China policy has strongly promoted the "maintenance of the status quo" in the Taiwan Strait. She has only partly defined this new concept, showing caution in her choice of words, avoiding uttering too much and adopting what some observers have called a deliberate "strategic ambiguity".<sup>3</sup> For the time being, Tsai's policy has paid off, particularly in the US and among large segments of the Taiwanese electorate. But will it be enough to calm down Beijing, keep stability in the Strait and allow both sides to continue to work together and reach some kind of new *modus vivendi*...with DPP characteristics?

## The Gradual Evolution of the DPP's China Policy

Dr. Tsai's most comprehensive and authoritative statement regarding the DPP's China policy was probably made when she visited the United States in early June 2015 and more precisely in her speech at the CSIS in Washington DC.<sup>4</sup> There, she said:

"The conduct of cross-Strait policy must transcend the position of a political party and incorporate different views. A leader must take into account public consensus, when making decisions. We do have a broad consensus in Taiwan, that is, the maintenance of the status quo".

The status quo idea was not a new one; actually, it had already been tested for nearly a year. On the occasion of the 28<sup>th</sup> anniversary of the creation of the DPP, on September 28, 2014, Ms. Tsai had already described her party's cross-strait policy as "consistent, responsible, and predictable", promising to seek to establish a "constructive dialogue with China"<sup>5</sup>. Later, at the April 9, 2015 DPP China Affairs Committee meeting, Ms. Tsai declared:

"The basis for our handling of cross-strait relations is 'maintaining the status quo', preserving cross-strait peace, and continuing the current stable development of the cross-strait relations. This is the core of the cross-strait relationship as well as the goal for the DPP upon returning to power".<sup>6</sup>

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<sup>3</sup> Emily S. Chen, "The DPP's Strategic Ambiguity Toward China", *PacNet*, No. 51, August 19, 2015.

<sup>4</sup> See footnote 2.

<sup>5</sup> "DPP 28<sup>th</sup> Anniversary Reception", <http://english.dpp.org.tw/dpp-28th-anniversary-reception/> (accessed September 6, 2015).

<sup>6</sup> "DPP China Affairs Committee: Maintain Cross-Strait Status Quo", April 9, 2015, <http://english.dpp.org.tw/dpp-china-affairs-committee/> (accessed September 6, 2015).

There are three important and potentially contradictory considerations in these successive statements: firstly, Ms. Tsai clearly indicates that, if elected president, she will represent all the Taiwanese and therefore adopt a cross-Strait policy that would be distinct and somewhat different from the DPP's; secondly, she continues to quietly emphasize the "Taiwan consensus", presenting it as the foundation of the DPP's status quo policy: "no matter which party governs in the future, cross-Strait relations must always be in accordance with the will of the people", she added when she was chosen as the DPP presidential candidate on April 15, 2015<sup>7</sup>; and thirdly, she associates maintaining the status quo to the continuation of dialogue and stable exchanges across the Taiwan Strait, reaching out Beijing in adopting a language very close to the discourse promoted by the Chinese leadership since at least 2007—giving priority to the "peaceful development of cross-Strait relations".

But she also knows that these commitments would not be strong enough to reassure Beijing which has kept demanding the DPP to endorse the "1992 consensus", or even Washington, although the US administration has constantly remained agnostic about and distant from this rather recently created formula.<sup>8</sup> Coined in 2000 by KMT's Su Chi to embrace the one China principle and retroactively describe the compromise reached by both sides' negotiators in November 1992 ("one China, different interpretations"), the DPP has always been opposed to such a move. In order to go around this difficulty, Ms. Tsai has proposed the Chinese Communist Party (CCP) leadership to "break out the KMT-CCP framework" in order to find "the greatest common denominator" with the DPP.<sup>9</sup>

Consequently, in her CSIS speech, trying to address this issue, she declared:

"If elected president, I will push for the peaceful and stable development of cross-Strait relations in accordance with the will of the Taiwanese people and *the existing ROC constitutional order*". (Italics added by me, ROC stands for the Republic of China)

In Alan Romberg's view, "while Tsai did not embrace the 'political foundation' of 'one China', as Beijing insists, she (indicated that she) would not act in a manner inconsistent with it".<sup>10</sup> I would go even further, and argue that actually she silently accepted the legal definition of the ROC that includes the mainland of China but could not endorse it publicly without questioning the DPP 1999 "Resolution on Taiwan's Future" according to which the ROC = Taiwan. In making this move, she also accepted to continue working within the framework of

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<sup>7</sup> "DPP Nominates Chairperson Tsai Ing-wen as 2016 Presidential Candidate", April 16, 2015, <http://english.dpp.org.tw/dpp-nominates-tsai-ing-wen/> (accessed September 6, 2015).

<sup>8</sup> See Shirley Kan, "Reconciling Cross-Strait Contrivance", *Taipei Times*, October 22, 2015, p. 8, <http://www.taipetimes.com/News/editorials/archives/2015/10/22/2003630621/1>

<sup>9</sup> "DPP China Affairs Committee: Maintain Cross-Strait Status Quo", April 9, 2015, op. cit.

<sup>10</sup> Alan D. Romberg, "Squaring the Circle: Adhering to Principle, Embracing Ambiguity", *China Leadership Monitor*, No. 47, June 2015, p. 3.

the 1992 ROC “Regulations on the relations between the people of both sides of the Strait” and all subsequent legal documents related to cross-Strait relations.

Regarding the cross-Strait agreements signed by previous Taiwanese administrations, she adopted a radically new narrative, at least as far as the DPP is concerned, and stated at the CSIS:

“The two sides of the Taiwan Strait should treasure and secure the accumulated outcomes of more than twenty years of negotiations and exchanges. *These accumulated outcomes will serve as the firm basis of my efforts to further the peaceful and stable development of cross-Strait relations*”. (Italics added)

This strong language is clearly aimed at reassuring all the stakeholders of cross-strait relations about not only the continuity of all the agreements signed by both sides but also their political foundations, the so-called “1992 consensus”. It represents a clear departure from the DPP’s criticism of many of the past accords signed by Taipei’s Strait Exchange Foundation (SEF) and Beijing’s Associations for the Relations Across the Taiwan Strait (ARATS), including the June 2010 ECFA (Economic Cooperation Framework Agreement) that apparently will not be revised if Tsai is elected ROC president.

Of course, the DPP has kept criticizing the so-called “1992 consensus” for the reasons indicated above. But Tsai has refrained from referring to it. And when asked about it later in her visit to the US at a press conference held in San Francisco, she said that the “accumulated outcomes” mentioned in Washington include the fact that in 1992 both sides agreed to disagree in order to move the relationship forward<sup>11</sup>. More specifically, referring to the “1992 consensus”, Tsai declared: “As for the interpretation of what had happened in the past, and the usage of the term in question”, I “will continue seeking common ground while agreeing to differ” (*qiutong cunyi*)<sup>12</sup>, adopting here as well a language that echoes a formula often used by Beijing and also adopted by Ma Ying-jeou.<sup>13</sup> Although, she did not embrace the “1992 consensus” as such, she recognized that in 1992, there was a common hope both to move cross-Strait relations forward and “uphold a spirit of mutual understanding” (*dou xiwang bingchi huxiang liangjie de jingshen*).<sup>14</sup> In other words, Tsai has been quietly reviving the “spirit of 92” (*jiu’er*

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<sup>11</sup> <http://www.ketagalanmedia.com/2015/06/10/dpps-tsai-ing-wen-announces-china-stance-us/> (accessed September 5, 2015).

<sup>12</sup> <http://www.chinapost.com.tw/taiwan/national/national-news/2015/06/09/437990/p1/Seeking-common.htm> (accessed September 5, 2015).

<sup>13</sup> This was recognized by the United Daily News which accused her of “knocking on the wrong door, the Beijing door, not the Ma Ying-jeou government’ door” (one China, different interpretations), cf. *Lianhebao*, June 12, 2015, <http://www.taiwannpfnews.org.tw/english/page.aspx?type=article&mnum=112&anum=16227> (accessed September 5, 2015).

<sup>14</sup> The exact quotation of Tsai’s comment on the DPP website is: 對於「九二共識」，蔡主席說，過去我們花很多時間討論，甚至爭論這個問題，但無論如何，都不要忽略掉一個事實，也就是在1992的當年，雙方都希望可以把關係往前推進，即便有

*jingshen*), an olive branch handed by Chen Shui-bian to China, but unsuccessfully, in June 2000, shortly after he came to office.<sup>15</sup>

All in all, Tsai has adopted a cautious and even what many observers have qualified as a centrist line, not very distant, in reality, from the KMT's mainland policy; she has refrained from asserting too often Taiwan's sovereignty, preferring to refer to the island's "popular sovereignty" or even "future autonomy" (*weilai zizhuxing*).<sup>16</sup> She has avoided to directly challenging the "one China" principle or the "1992 consensus". And she has "heartily endorsed" the "proactive measures taken by the cities and counties under DPP administration with regard to cross-strait relations".<sup>17</sup>

In other words, Tsai and the DPP have gone a long way to demonstrate not only to the Taiwanese voters but also both to Washington and to Beijing their ability to govern again Taiwan. And this even if, in saying less, Tsai has also remained on purpose ambiguous on the very status quo that she and her party wish to maintain across the Strait.

## Resistance and Rationale

Of course, not everyone in the DPP has been happy with Tsai's moderation on cross-Strait relations. Dark green DPP leaders, as former Vice-President Annette Li Hsiu-lien, have asked her to "clarify" what she means by "status quo", pointing to the contradictions between her views and the DPP's policies, enshrined for instance in the 1999 "Resolution on Taiwan's Future" or in the 2007 "Normal Nation Resolution". Pro-independence politicians as Koo Kuan-min, have underscored the dangers of the "status quo".<sup>18</sup> But on the whole, criticism of Tsai's China policy has been subdued not only in the DPP but also among the organizers of the Spring 2014 Sunflower Movement.

It is true also that Tsai has directly addressed the Sunflower Movement's major demands and indicated a strong will to adopt a more democratic and transparent cross-Strait policy. At the CSIS, she declared that she would push for the adoption

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不同意見跟想法 都希望能秉持相互諒解的精神，持續進行交流。蔡主席說，自己的想法跟做法就是回歸這個基本事實，也就是她所說的累積成果的一部分，至於這個所發生的事實詮釋跟名詞的使用問題，就繼續求同存異吧。 [http://www.dpp.org.tw/news\\_content.php?sn=7923](http://www.dpp.org.tw/news_content.php?sn=7923) (accessed September 5, 2015).

<sup>15</sup> Emily Chen has argued that Tsai has "focused on the spirit of the 1992 consensus, which she said was a 'mutual understanding to continue conducting exchanges'". However, I doubt that Tsai actually endorsed the "spirit of the 1992 consensus" as such since she has continued to question, admittedly more quietly, that what was agreed in 1992 was a "consensus", cf. *PacNet*, No. 51, op. cit.

<sup>16</sup> "DPP China Affairs Committee: Maintain Cross-Strait Status Quo", April 9, 2015, op. cit.

<sup>17</sup> Ibid.

<sup>18</sup> Quoted in Romberg, op. cit., p. 2.

of the “Cross-Strait Agreement Oversight Bill to establish a comprehensive set of rules for overseeing the cross-strait exchanges and negotiations” and make sure that the “cross-Strait agreements which are currently under negotiation or legislative review will be re-examined and further negotiated according to these new rules”.<sup>19</sup> Tsai has also emphasized the differences between the DPP and Kuomintang's (KMT) handling of cross-strait affairs: the DPP will never resort to “black-box” policies, and will not “monopolize interests”.<sup>20</sup>

But in focusing her campaign on re-launching the economy and the need to improve the social safety net, as well as in directly linking up its China policy to these two key objectives<sup>21</sup>, Tsai has apparently managed to convince large segments of the green camp as well as the youth that she is the right person to take upon the reigns of the country. Up to now, opinion polls have confirmed this inclination.<sup>22</sup>

The emergence of a “third force”, symbolized by Dr. Ko Wen-je’s victory in Taipei mayoral election in November 2014, has also helped Tsai and convinced her to adopt a more moderate China policy. Although it is difficult to gauge the strength and the degree of unity of this “third force”, its emergence after the Sunflower Movement has clearly highlighted a stronger willingness in the Taiwanese society, and particularly, among its youth, to move beyond the green-blue divide and build a new and arguably more centrist consensus on Taiwan’s future relations with the PRC. That does not mean that the majority of the Taiwanese wish a closer partnership with the mainland. The Taiwanese identity has continued to consolidate, particularly since Ma Ying-jeou allowed in 2008 a large number of Chinese tourists to visit the island (in June 2015, 59% of ROC citizens claimed a Taiwanese identity, 33.7% of them see themselves as both Taiwanese and Chinese and 3.3% as only Chinese).<sup>23</sup> And the strong and largely negative reactions, including in the KMT ranks, to former ROC Vice-President Lien Chan’s participation in the September 3, 2015 PLA military parade in Beijing have underscored how little trust most Taiwanese have still today in the PRC leadership. Nevertheless, at the same time, the islanders’ majority, and its youth even more so, are very much aware of the need to keep a stable and constructive

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<sup>19</sup> This statement is not very different from the one she made when she became the official DPP presidential candidate but presented in a more positive light. On April 15, 2015, she said: “With regard to the cross-strait agreements that are currently under negotiation or review, when we return to government they will be monitored on a case-by-case basis in accordance with the oversight legislation as the negotiation proceeds”, “DPP Nominates Chairperson Tsai Ing-wen as 2016 Presidential Candidate”, April 16, 2015, op. cit.

<sup>20</sup> <http://www.chinapost.com.tw/taiwan/national/national-news/2015/06/09/437990/p2/Seeking-common.htm> (accessed September 5, 2015).

<sup>21</sup> Cf. her speech to the CSIS among many statements.

<sup>22</sup> Taiwan Indicators Survey Research, August 28, 2015, <http://www.tisr.com.tw> (accessed on September 1, 2015).

<sup>23</sup> “Taiwanese / Chinese Identification Trend Distribution in Taiwan (1992/6 – 2015/6)”, accessed on October 23, 2015, <http://esc.nccu.edu.tw/course/news.php?Sn=166#>

relationship, or what Tsai has called a “spirit of cooperation”,<sup>24</sup> with Beijing. And Ko Wen-je’s successful and down-to-earth visit to Shanghai in August 2015 is a good illustration of this new approach.<sup>25</sup> In other words, while more conscious of their distinct identity, most Taiwanese are also aware of the new geo-strategic environment and constraints that has emerged around their island in the last decade, and more particularly since Xi Jinping came to power in late 2012.

## What Does “Maintaining the Status Quo” Mean?

Tsai and the DPP recognize that Beijing, Washington and Taipei, as well as each political party in Taiwan have their own definition of the status quo in the Strait. In respecting the ROC constitutional order and the “accumulated outcomes” of past cross-Strait negotiations and interactions as well as in “enhancing trust and cooperation across the Taiwan Strait”, Tsai believes that she has done her share of a task that is not only Taiwan’s but also China’s and the US’s. As a consequence, when Tsai argues that keeping the status quo consists of “maintaining a peaceful and stable relationship across the Taiwan Strait”, she also asks Beijing to contribute as well to this objective and share the responsibility of reaching it. Her message to China is: accept the result of Taiwan’s democratic elections and work with any elected administration on the island. In so doing, Tsai also asks the US to continue to contribute to Taiwan’s security and the ROC de facto survival.

On this latter issue, she declared at the CSIS:

“It is important that mil-mil relations with the US continue to intensify in accordance with the Taiwan Relations Act and mutual security interests in the region. Taiwan is and will continue to be a reliable partner of the US in ensuring peace and stability in the region. We must work closely with our American friends, not only in deterring traditional threats and coercion, but also in jointly dealing with other non-traditional security threats, such as cyber-security”.

In the same speech, Tsai also astutely indicated to the US “the need for Taiwan to participate in the Trans Pacific Partnership (TPP), at least to be included in the second round of the negotiation” and her willingness, if elected, to make the island ready for it.

The Obama Administration’s reaction to Tsai’s new China policy seems on the whole to have been positive. As if it wanted to erase the bad impression left in the DPP after its quasi-transparent rebuke of Tsai 2012 cross-Strait strategy (or lack of strategy), it went out of its way and gave her an unprecedented treatment: for

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<sup>24</sup> Tsai Ing-wen, “Taiwan Can Build on U.S. Ties”, *Wall Street Journal*, June 1, 2015.

<sup>25</sup> Ko was even praised by former SEF secretary general C. V. Chen for his role in “lubricating” developments across the Taiwan Strait, *Taipei Times*, August 25, 2015.

example, it was the first time ever that a Taiwanese presidential candidate was able to visit US officials in the White House and the State Department.

This does not mean that every issue has been solved (see below). But on the whole, the contrast with 2012 has been striking as at the beginning of the fall of 2015, it was rather the then KMT candidate, Ms. Hung Hsiu-chu, Vice-Speaker of the Legislative Yuan, because of her flip flops, contradictory statements and dark blue inclinations, who became a source of uncertainty, not only for Washington, Beijing or the Taiwanese voters but also within her own party. Consequently, in mid-October, the KMT leadership did not have any other choice but to dump her and ask its reluctant Chairman, Eric Chu Li-luan, who has also been since November 2014 New Taipei City Mayor, to run in the coming presidential election. Although Eric Chu is likely to adopt a more cautious mainland China policy than the Ma administration and move back the KMT to the center, he knows that he is fighting an uphill battle to keep his party's control of not only the presidency but also the Legislative Yuan (now his main objective).

## China's Reaction and Likely Policy if the DPP Comes Back to Power

China's reaction to the DPP's new cross-Strait policy has remained negative but the intensity of its criticism has become more subdued. After Tsai's visit to the US, Ma Xiaoguang, spokesman for the Taiwan Affairs Office under China's State Council, declared:

“The DPP leader spoke about cross-strait ties when she was in the US, but she didn't make herself clear on the core issue”...“Rejection of Taiwan independence and insistence on the 1992 Consensus comprise the common political basis for the peaceful development of cross-strait ties, and the core issue is recognizing that the mainland and Taiwan belong to the same China”.<sup>26</sup>

Since Tsai is not going to openly meet these two prerequisites, it is unlikely that she will be able to fully reassure Beijing. However, can't a modus vivendi and modus operandi still be reached by both sides of the Strait, if the DPP wins the next presidential election?

First of all, Beijing will probably continue to criticize Tsai's lack of clarity and try to delegitimize her candidacy.<sup>27</sup> It will also clearly support Eric Chu, hoping that People's First Party's James Song Chu-yu will abandon the race in order to increase the chances of the former to narrow the gap with Ms. Tsai and of the

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<sup>26</sup> *Want China Times*, June 11, 2015, <http://www.wantchinatimes.com/news-subclass-ent.aspx?id=20150611000031&cid=1101> (accessed on September 5, 2015).

<sup>27</sup> Alan D. Romberg, “Consolidating Positions”, *China Leadership Monitor*, No. 48, September 2015, pp. 4-5.

KMT to keep its majority in the Parliament. In other words, until January 16, 2016, the Chinese government and propaganda machine will try to avoid a DPP victory or at least reduce as much as possible the extent of the KMT's defeat.<sup>28</sup> President Xi Jinping will probably refrain from resorting to the same kind of threats as the ones launched by then Premier Zhu Rongji in early 2000. But the CPP unification strategy carried out since 2008 has been criticized for its lack of results and reviewed by Xi Jinping himself, former ARATS chairman Chen Yunlin, having been the first political victim of this development.<sup>29</sup> Consequently, it is unlikely that Beijing will stay idle either.

After all, it is fair to assume that Beijing's reaction to the DPP's return to power will depend upon the magnitude of its victory. If Ms. Tsai receives a clear mandate from the Taiwanese voters and the DPP gains a majority of seats in the Parliament, it is more likely that the Chinese government will accept to work out a new common language with its Taiwanese counterpart. If, on the contrary, Tsai's score is disappointing and the KMT keeps control of the Legislative, Beijing would probably adopt a tougher strategy.

Xi Jinping's has so far given little indication of the actions that he would take if the DPP comes back to power. As we know, he wants to be perceived as a strong leader leading an assertive China (or vice versa). And both for strategic and political reasons, Taiwan will remain at the top of his priorities. As China is expanding its control on the maritime domain that it claims in the East and the South Chinas seas, it cannot ignore Taiwan's strategic location as a link between both seas and a lock that constrains the Chinese Navy's ability to enhance its presence and potential domination of the first island chain and later the second island chain. Politically, Xi has clearly declared, for instance in 2013, *when it comes to fulfilling Beijing's "one China" goal of uniting the island with the mainland, "these issues cannot be passed on from generation to generation."*

*It is therefore probable that Beijing's pressure on Taipei will intensify not only to prevent any move away from the status quo with DPP characteristics that may emerge after May 20, 2016 but also to continue to narrow Taiwan's options for the future and corner it towards political negotiations, strategic "neutralization" and eventual unification.*

Among the likely actions, increasing rather than reducing cross-Strait economic and people-to-people interdependence will probably remain a priority. This strategy has so far been rather successful in multiplying the number of constituencies on the island that have a vested interest in developing closer links

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<sup>28</sup> J. Michael Cole, "China Intensifies Media Campaign against Taiwan's DPP in the US", August 22, 2015, <https://blogs.nottingham.ac.uk/chinapolicyinstitute/2015/08/22/china-intensifies-media-campaign-against-taiwans-dpp-in-the-us/> (accessed August 29, 2015).

<sup>29</sup> J. Michael Cole, "As Chen Yunlin Falls From Grace, Beijing Shows It Still Doesn't Get Taiwan", September 4, 2015, <http://blogs.nottingham.ac.uk/chinapolicyinstitute/2015/09/04/as-chen-yunlin-falls-from-grace-beijing-shows-it-still-doesnt-get-taiwan/>

with the mainland. This strategy does not only target business people but also media, educational, cultural and religious organizations, as many constituencies that come under the CCP United Front Department's portfolio and are reached out by it.

If Ms. Tsai is elected, China has already threatened to suspend Taiwan Affairs Office – Mainland Affairs Council direct meetings, and even ARATS (Associations for Relations Across the Taiwan Strait) – SEF (Strait Exchange Foundations) talks. However, if it wants to intensify Taiwan's dependence upon China as well as “reach out the hearts and minds of the Taiwanese”, it cannot go too far in this direction.

But Beijing's Taiwan policy will continue to include other dimensions, both diplomatic and military ones, aimed at isolating and weakening the ROC and eventually making its survival irrelevant.

Among the possible actions, an end of the diplomatic truce (*waijiao xiubing*) verbally concluded with the Ma administration cannot be excluded. Normalizing with the Vatican has been mentioned as one of the PRC's top objectives. However, since it depends also of the Holy See, that has remained very critical of Xi Jinping's repression of the underground Catholic Church, Beijing may be more successful in winning over most Central American, African or South Pacific countries that have still kept diplomatic relations with Taipei, some of them having already signaled their intention to switch to the PRC but asked not to do so by this very country.

Preventing Taiwan from joining additional international organizations and sidelining it in the institutions where it is (badly) represented, as the WTO, the WHO or the ICAO, will also continue to be part of China's strategy.

Militarily, the People's Liberation Army (PLA) can decide to put much more pressure on the Taiwanese armed forces that it has been the case since 2008, regularly crossing the Strait's midline or penetrating in the ROC-controlled territorial waters. It can also take a much more assertive control of the Taiwan Strait, increasing its scrutiny of all the foreign navies that ply through it.

## How the US Would Handle Another DPP Administration with a More Powerful China?

Both Beijing and Washington can argue that another DPP administration on Taiwan is not something new and that they have learnt from their past experience. This experience will be in any event useful for all parties involved. For instance, although very well-disposed towards Taiwan, the Bush Administration clearly drew a red line as early as late 2003 when it felt that Chen Shui-bian was threatening the status quo as the US “defined it” and in its view moving too far on the way to formal independence from China. However in 2016, while it will

probably deal with a more sensible and moderate DPP government, the US will have to face a stronger and more assertive China in the context of a more complicated and tense bilateral relationship with this country.

First of all, if Tsai is elected in January 2016, it is expected that the US Administration would micro-manage her first steps and (as in 2000 with Chen Shui-bian) get deeply involved in the drafting of her inaugural speech, possibly consulting Beijing on some specific wordings. It would also send clear signals to Beijing to respect the result of the elections and refrain from ostracizing the newly elected Taiwanese president and appointed government. But this will be the easiest part of the job.

A more tricky issue for the (any) US Administration will be to continue to deal with Taiwan security and abide by the Taiwan Relations Act (TRA) in a geo-strategic environment that has notably changed over the last fifteen years. The good news is that Ms. Tsai may be more willing to openly cooperate with the US as well as support the Obama administration's "rebalancing" strategy than the KMT and the Ma government. The bad news is that she will probably be not better equipped to invest more in Taiwan's defense and put together a more credible conventional "deterrence" military strategy than her predecessor.

The debate that has been going on in the US for a few years about negotiating with the PRC a reduction of arms sales to Taiwan in exchange of some security guarantees for the island has remained someone marginal. And John Mearsheimer's predictions about a Hongkongization of Taiwan have been rather detached from the reality, in particular in view of the Sunflower and then the Umbrella movements.<sup>30</sup> Nevertheless, the PLA's growing capabilities to project power over the seas and the increasing cost for the US military of any armed conflict or even crisis in the Taiwan Strait have gradually changed the equation, compelling both Washington and Taipei, to act much more carefully, in other words to take more into account Beijing's interests and intentions.

Growing tensions in the South and East China seas may help both capitals diverting Xi Jinping's attention from Taiwan even if a DPP administration comes in. However, the degree of military cooperation and coordination between the Washington and Taipei will be more crucial as ever before. In other words, Taiwan will have to become much more serious about its security if it wants to be taken seriously by the US. Can it do it in spite of the limited financial and human means at its disposal? It is not impossible: Ms. Tsai has clearly indicated her

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<sup>30</sup> "Say Goodbye to Taiwan", *The National Interest*, February 25, 2014, <http://nationalinterest.org/article/say-goodbye-taiwan-9931>; cf. also Jean-Pierre Cabestan, "Recent Changes in Taiwan's Defense Policy and Taiwan-USA Relations", *East Asia*, No. 31, 2014, pp. 343-354.

intentions on this matter. But she will need a strong political determination to keep this objective at the top of her agenda.

Obviously, Taiwan's security and cross-Strait relations cannot be disconnected from the more general strategic situation in the Western Pacific. The US's "rebalancing" strategy has been part of its answers to China's rise in the region. But this strategy is far from being only a military reaction to the PLA's modernization and has its own limits. The changes that have taken place in Japan and in the US-Japan alliance as well as the slowdown of the Chinese economy will also have to be factored in.

In any event, it is likely that, if Ms. Tsai is elected, the Obama administration and its successors will put a strong pressure on her and her DPP government to abide by their promises, avoid any "bad surprise" and take on the negotiations of the pending cross-Strait agreements where they have been left by the previous administration.

## Conclusion

Whether Beijing will accept to deal with a DPP administration without any major political precondition or concession on the part of Dr. Tsai remains to be seen. In any event, the level of interdependence between China and Taiwan is today so high that it is not in either side's interest to rock the boat too much and jeopardize the stability of cross-Strait relations. The slowdown of the Chinese (and the world) economies may reduce in relative terms, this interdependence. However, with 5 to 6% of annual growth, China is likely to remain, particularly for Taiwan, the main driver of its economic recovery.

To some extent, the DPP and Tsai's more cooperative China policy underscores this obvious reality. And Xi Jinping's reaction to Tsai likely victory will be indicative of his new domestic and international priorities. China's economic slowdown and increasing social problems may convince him to adopt a more conciliatory policy towards Taiwan. But these internal difficulties can also have the opposite consequence and convince Xi to use Taiwan as a diversion, in particular if Sino-US relations deteriorate. Moreover, Xi's own style has confirmed a strong inclination to opt for pressure and coercion rather than charm and seduction.

In any event, more globally, if the DPP comes back to power, cross-Strait relations will continue to a large extent to depend upon the state of China-US relations. In that respect, it is likely that both Beijing and Washington will be busy with other and more important issues and would refrain from letting cross-Strait relations unravel. The Chen Shui-bian precedent has given both capitals enough tools and wisdom to avoid this scenario from taking place again. And after all, Xi's willingness to establish with the nation which is still the only superpower a

“new type of great power relations” is likely to continue to decisively help maintaining the status quo in the Taiwan Strait.