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Discussion Paper
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**Cross-Strait Relations and External Actors:
The EU and the US**

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Introduction

The role played by external powers with respect to the cross-strait issue is always sensitive, because on the one hand, China considers the Taiwan issue as its internal affair, but on the other hand, there can be no doubt that this is a question with regional if not global implications. This in itself explains the international interest in the issue. The United States are required by their domestic law, namely by the Taiwan Relations Act, to get “involved”, while the European Union and its member states do not have any legal commitments, but are in a more general way no less interested in peace and stability in the region.

One could argue that over the last years Beijing has successfully “enlisted” the US as well as the Europeans (and some other countries) to express this interest in peace and stability by openly criticizing any step from the Taiwanese side that appeared to challenge the status quo. This reaction from Western countries is motivated by their interest to avoid or prevent a possible (military) escalation of the conflict. Especially in Chen Shui-bian’s second term in office (since 2004), his steps were often seen as calling into question the status quo, while the only step of the Chinese side that met with some criticism from the West was the passing of the Anti-Secession law in spring 2005.

In the run-up to the two elections in Taiwan, namely the Legislative Yuan elections in January and the presidential election in March 2008, the People’s Republic of China itself has kept comparatively quiet. This has been the consequence and lesson drawn from earlier experiences made before the elections in 1996 and 2000: China’s efforts to influence the outcome of the presidential elections on those two occasions by putting direct pressure and taking a threatening posture (military exercises) had proved counter-productive. In each case, China got the result that it had hoped to avoid. In 2004, China acted more cautiously and showed restraint, but shortly before election-day an unexpected incident – an attack on Chen Shui-bian and Annette Lu – was believed to have swayed public vote in favour of the DPP candidate. The PRC reacted with strong statements to these events. The incident also created an atmosphere of mistrust for the 2008 elections between the two camps in Taiwan, and, moreover, between China and Taiwan (or more specifically, the DPP): The possibility that the DPP or their outgoing president Chen Shui-bian could have some “dirty trick” up their sleeves, was widely discussed in Taiwan and in China before the elections.

The deep mistrust of Chen Shui-bian and his agenda was characteristic for the entire second term of his presidency. This lack of trust did not only affect the domestic scene in Taiwan and cross-Strait relations, but also the United States, and even the

Europeans. Some of Chen's moves, for example the abolishment (or "suspension") of the Unification Council in early 2006, were criticized as unnecessary provocation of the Chinese side. Chen Shui-bian was more and more perceived as a "spoiler" who missed no opportunity to provoke the Chinese side by some move addressed mainly to the people in Taiwan in order to win domestic support.

US and EU statements and actions prior to the elections in Taiwan

In the run-up to the elections in Taiwan, neither the United States nor the European Union made comments on the on-going campaigns in Taiwan or on the candidates. Any outcome of the elections would have been acceptable and accepted as long as the elections were conducted in a "normal" way (fair, free...). However, the US and some European countries expressed their concern about the UN referendums which were to be held in tandem with the presidential election. From the US side, several official statements were made that clarified the position of the US government on this issue. It was especially the DPP sponsored UN referendum which was criticized by various representatives of the US government. China had asked the US to put more pressure on Taiwan to give up plans for the referendum,¹ and US Secretary of State Condoleezza Rice called the UN referendum a "mistake" and expressed US opposition to it on several occasions. Tom Christensen made a statement in which he not only criticized the referendum but also noted that the people in Taiwan would easily see through the DPP referendum as a mere instrument to mobilize voters (and emotions):

The United States has neither the power nor the right to tell the Taiwan people what they can and cannot do. As friends, however, we feel it is our obligation to warn that the content of this particular referendum is ill-conceived and potentially quite harmful. Bad public policy initiatives are made no better for being wrapped in the flag of "democracy." Fortunately, if the referendum goes forward unchanged, we anticipate that Taiwan's perceptive, intelligent citizens will see through the rhetoric and make *a sound judgment that the referendum does not serve their interests* because it will be fundamentally harmful to Taiwan's external relations.

Beyond the obvious threat to stability in the Taiwan Strait, the United States also opposes the proposed referendum because it will do the exact opposite of what it promises: it will limit, not expand, Taiwan's international space. Arguments to the contrary sound heroic, but they stand in opposition to the evidence all around us. I can say this to you with real experience, because it is the State Department that takes the lead in the U.S. Government in trying to help preserve and expand the Taiwan people's international space. The frustrating truth is that *needlessly provoca-*

¹ See for example the meeting between Yang Jiechi and US deputy foreign minister Negroponte in January 2008.

tive actions by Taipei strengthen Beijing's hand in limiting Taiwan's space and scare away potential friends who might help Taiwan.² (my italics)

These clear statements of the US government were criticized by some members of Congress, especially from the Taiwan Caucus, who wrote letters to President Bush and asked the US government to be more supportive of Taiwan and its democracy.³ However, these efforts failed to sway the position of the government.

The Europeans even included a critical comment on the referendum plans in the Joint Statement at the 10th EU-China Summit in October 2007. The passage in question reads as follows:

The EU reaffirmed its commitment to one China policy and expressed its hope for a peaceful resolution of the Taiwan question through constructive dialogue. The EU reiterated its concern over the intended referendum on UN membership in the name of Taiwan as this could lead to a unilateral change of the status quo across Taiwan straits to which the EU is opposed. In this context, the EU expressed its concern over the Taipei authorities' intentions about the future status of the island.⁴

Despite the fact that this was one of the strongest statements on Taiwan ever made by the EU, the usual sentence “The Chinese side appreciated EU’s commitment to the one China policy and reiterated its principled position on the Taiwan question” – as it was included in the Joint Statements of the 8th and 9th summit meetings - is notably absent from the text. Obviously, the commitment of the EU to the one China policy was still not expressed strongly enough from the perspective of the Chinese side. Although there has been no explanation for the absence of the usual “appreciation” passage, one possible reason can be found in the on-going negotiations on the new Partnership and Cooperation Agreement between China and the EU. Reportedly, the passage on Taiwan will be one of the more difficult parts of this document.

Moreover, the atmosphere between the EU and its member states on the one hand and China on the other was not at its best when the EU-China summit took place. Sino-German relations were going through a phase of crisis due to the meeting between German chancellor Angela Merkel and the Dalai Lama on September 23, 2007. Merkel was considered in China as the first of a new generation of political leaders in one of the important EU member states. Therefore, it was feared that other

² Thomas J. Christensen, Deputy Assistant Secretary for East Asian and Pacific Affairs: “A strong and moderate Taiwan,” Speech to U.S.-Taiwan Business Council Defense Industry Conference, Annapolis, Maryland, September 11, 2007 (http://hongkong.usconsulate.gov/ustw_state_2007091101.html). Briefly afterwards Russia also criticized the referendum plans.

³ See *Taiwan Communiqué*, 118 (March/April 2008), pp.8ff.

⁴ “Joint Statement of the 10th China-EU Summit,” Beijing, 28 November 2007, <http://www.eu2007.pt/NR/rdonlyres/C9CF2CC6-7B8D-4830-8A95-5C99370D73C7/0/20071203JointStatementChinaUE.pdf>.

leaders in Europe (and in other regions of the world) might follow her example. Even before Merkel's meeting with the Dalai Lama, there had been strong criticism from the Chinese side directed at the German government, because a video conference with Chen Shui-bian had taken place with the participation of a senior representative from the German parliament, a China-critical resolution had been passed by the German parliament and the reporting about China in the German mass media was considered unfairly biased and negative. In reaction to the meeting Merkel-Dalai Lama, the Chinese government cancelled some regular meetings and pre-scheduled visits. The situation finally returned to (more or less) normal when Chinese Foreign Minister Yang met his German counterpart in Berlin and the German foreign ministry published a short statement on its website with a strong commitment to China's territorial integrity.

Nicolas Sarkozy, during his first visit to China as French president in November 2007, also made a clear statement that France supported China's unity and did not support the independence of Taiwan or Tibet ("...there is only one China, and Taiwan is an integral part of Chinese territory").⁵ Likewise did Gordon Brown, the new British prime minister, who during his visit in China in January 2008 stated in a press conference that the UK "believes in the one China policy"⁶.

The Slovenian government which held the EU presidency in the first half of 2008 published a critical comment concerning the UN referendum on March 10, 2008 on behalf of the European member states.⁷ However, in Europe, too, supporters of Taiwan protested against such public statements of their governments. For example, 100 members of the European parliament - altogether there are 785 delegates in this parliament - expressed their support of Taiwan's efforts to become a member of the United Nations.⁸

In the run-up to the elections, it was quite clear that the Chinese leadership saw this as a critical phase for the future of cross-strait relations and tried – successfully - to make sure that the US and the European governments were alerted to this.

For discussion: What impact did the US, Europe and other external actors have in the run-up of the elections from the Chinese perspective (positive, negative, none)?

What would China have expected differently from these actors?

⁵ Federico Bordonaro: "For Paris, there's no China *la rupture*," *Asia Times*, Dec. 7, 2007.

⁶ See press conference with Wen Jiabao, January 26, 2008, <http://www.number-10.gov.uk/output/Page14307.asp>.

⁷ Council of the European Union: "Declaration by the Presidency on behalf of the European Union on Cross-Strait Relations," Brussels, 10 March 2008, 7328/1/08 REV 1 (Presse 65) P 31/08.

⁸ See *Taiwan Communiqué*, 118 (March/April 2008), p.17f.

US and EU reactions to the election results and Ma's inauguration speech

The outcome of the presidential elections which were held in Taiwan in March 2008 was officially greeted by the United States as well as the European Union (to be exact, the Council) and some member states of the EU like Germany. There is now a wide-spread expectation that with the election of Ma Ying-jeou as the next president of Taiwan, a good chance exists for an improvement in cross-Strait relations. In contrast, there had been no enthusiastic statements commenting on the results of the parliamentary elections in January 2008. This was mainly due to the fact that at that time the issue of the UN referendum was not off the table. And, as mentioned above, the DPP version of the referendum, namely to apply for UN membership under the name "Taiwan", was considered as a unilateral step with the potential to destabilize the situation in the Taiwan Strait.

The United States

While the US government officially congratulated Ma Ying-jeou⁹ and welcomed the opportunity for a new start also in US-Taiwan relations, the plan for a visit of the president-elect in the United States was dropped after a brief period of speculation.¹⁰

A first analysis for the US Congress after the presidential election in Taiwan pointed to concerns existing in the US with respect to warming relations between the two sides of the strait, namely that "Taiwan could resist U.S. pressure that it increase military spending" and that "the KMT [...] could reach an accommodation with Beijing that ultimately may damage U.S. regional interests."¹¹ But the overall reaction to the prospect of a stabilisation in cross-strait relations was overwhelmingly positive. In reaction to the CRS report mentioned, several articles in Taiwan pointed to the two different approaches to China and the Taiwan issue within the US government, i.e. of the State Department and the Pentagon, with the State Department wishing for good relations with China and the Pentagon more focusing on China as a strategic competitor.¹²

Briefly after the election in Taiwan the US announced that they would continue to supply arms to Taiwan.¹³ Deputy Secretary of State John Negroponte underlined this

⁹ See U.S. statements on Taiwan presidential election, AIT website.

¹⁰ See Stephen Yates: "What to expect of the US and China," *Taipei Times*, April 11, 2008, p.8; "Taiwan's incoming president scraps plan to visit US," AFP, May 8, 2008.

¹¹ Kerry Dumbaugh: "Taiwan's 2008 Presidential Election," *CRS Report for Congress*, April 2, 2008, p.6.

¹² See, for example, "Washington sends mixed signals," *Taipei Times*, April 8, 2008, p.8.

¹³ "Washington to keep supplying arms to Taiwan: US envoy," AFP, April 29, 2008.

intention of the US, criticizing at the same time China's missile build-up opposite of Taiwan.¹⁴

Some observers critical of the US administration's China (and Taiwan) policy explained the victory of the KMT in the elections with the fear of the people in Taiwan of losing "America's patronage."¹⁵ There is a belief that the US administration under George W. Bush has "sold" or traded Taiwan in return for China's cooperation on the Six-Party-Talks/North-Korea and Iran. One author recommended after the election of Ma Ying-jeou that the US start negotiations on a Free Trade Agreement (FTA) with Taiwan, offer a road map for a visa waiver programme and open a strategic US-Taiwan dialogue.¹⁶ Some even demand that the US gives full diplomatic recognition to Taiwan.¹⁷ However, it has to be underlined that the position of the US government has been clear and quite consistent: The mainstream welcomes the elections as a strategic opportunity to improve cross-strait relations, not as an opportunity to change the US policy vis-à-vis China.

For the inauguration of Ma Ying-jeou, the US sent a delegation which also handed over a letter of President Bush.¹⁸ The overall reaction from foreign diplomats to Ma's inauguration speech was reportedly very positive.¹⁹

Of course, we do not know yet who the next president of the United States will be, but at least presidential candidate Barrack Obama also sent a letter to Ma Ying-jeou in which he expressed his hope for good US-Taiwan ties. He also pledged his adherence to the three communiqués with China.

Europe

The EU also officially welcomed the election held in Taiwan and even expressed its "support for Taiwan's democratic values".²⁰ In the same document, the EU declared that while it "does not support Taiwan's formal membership of international organisations where statehood is required", it does – within the framework of its one China

¹⁴ P. Paraneswaran: "US defends arms sales to Taiwan, criticizes Chinese missile buildup," AFP, May 15, 2008.

¹⁵ See John Tkacik, Jr.: "Taiwan's Elections: Sea Change in the Strait," *WebMemo*, Heritage Foundation, No. 1865 (March 24, 2008)

¹⁶ *Ibid.*, p.5f.

¹⁷ Cf. John R. Bolton: "What's Good for Taiwan," *Los Angeles Times*, March 31, 2008 (and Website of the American Enterprise Institute).

¹⁸ "US Delegation Delivers Letter From Bush to New Taiwan President," *BBC Monitoring International Reports*, May 20, 2008.

¹⁹ "Foreign Diplomats Welcome Taiwan President's Inaugural Speech," Central News Agency Taiwan cit. in *BBC Monitoring International Reports*, May 20, 2008.

²⁰ Council of the European Union: "Declaration by the Presidency on behalf of the European Union on Cross-Strait Relations," 31 March 2008, 7787/1/08 REV 1 (Presse 82) P 39/08.

policy – support Taiwan’s practical participation in specialized multilateral fora where this is not the case.

On May 26, 2008, the European Union commented briefly on Ma Ying-jeou’s inauguration speech:

The EU welcomes the positive momentum given to the development of cross-Strait relations in the inaugural speech by Taiwan's new leader, Ma Ying-jeou, and in the statement by Chen Yunlin, Director of the Taiwan Affairs Office of the Chinese State Council.

The EU believes that the establishment of a new administration in Taiwan provides a unique opportunity for the two sides to make further progress in their practical relations and opens the possibility for them to take positive steps towards the resumption of a meaningful dialogue which will be of benefit to the people on both sides of the Strait and would enhance regional peace and stability.

The EU welcomes the willingness of both sides to take up these opportunities. The EU reiterates its One China Policy and its firm support for a peaceful resolution of the Taiwan question.²¹

Japan

Reportedly, Japanese observers were disappointed by Ma’s inauguration speech because he had failed to mention Japan as a partner of Taiwan.²² One could interpret this omission by Ma as an effort to be very cautious in this important speech. Ever since the US and Japan have expressed that Taiwan was a “common security concern” and that a peaceful resolution was in their “common strategic interest” during their two plus two meeting in early 2005,²³ China had been especially watchful of contacts between Japan and Taiwan. It is possible that Ma wanted to avoid the impression of an overly close relationship between Taiwan and the former colonial power Japan that was in control of the island from 1895 to 1945.

Question for discussion: What would China have expected differently from these three external actors in reaction to the elections?

²¹ Council of the European Union: “Declaration by the Presidency on behalf of the European Union on Cross-Strait Relations,” May 26, 2008, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/cfsp/100675.pdf.

²² Chang Mao-Sen and Fan Cheng-hsiang: “Disappointment in Tokyo over Ma’s inaugural speech,” *Taipei Times*, May 26, 2008.

²³ See, e.g., Hamish McDonald: “China scolds US, Japan on Taiwan,” Feb. 21, 2005, <http://www.smh.com.au/news/World/China-scolds-US-Japan-on-Taiwan/2005/02/20/1108834661129.html>.

Prospects

In sum, I would argue that in general the US and the EU including its member states are quite content with the results of both elections. The fact that the elections were conducted without any incidents in the end, that no “dirty tricks” were played despite the wide-spread rumours and conspiracy theories and that the power transition was accomplished without any problems, was seen as a sign of the maturing of Taiwan’s democratic political system.

The events after the election – with Vincent Siew attending the Bo’ao forum and meeting Hu Jintao – have been taken as encouraging signs that both sides have the political will to bring about an improvement in cross-Strait relations. We can assume that there exists a supportive attitude in the US and Europe for any step in cross-strait relations that will help to stabilize the situation. The US is, of course, in a very different position from the European Union, because the TRA obligates it to help Taiwan defend itself, while the EU has never committed to such support. The US also more explicitly praises the fact that Taiwan has turned into a mature democracy. European governments have been less forthcoming in that respect and have only started to mention this aspect in recent months.

What can be expected from the European Union especially is that Brussels and the member states continue to encourage direct contacts between the two sides, since this implies a reduction of tension and more stability. This is based on the Europeans’ own historic experiences. In the “Guidelines of the EU’s Foreign and Security Policy in East Asia” which were published in December 2007, this approach to cross-Strait relations was again underlined: “The dispute across the Taiwan Strait: The EU supports all measures to deepen economic and people-to-people contacts between Taiwan and the mainland. However, underlying tensions exist, and miscalculation on either side of the strait could destabilise the situation.”²⁴

The US and Europe will also continue to encourage Beijing to give more international breathing space to Taiwan in those areas where statehood is not required. This supportive attitude is also rooted in the recognition that it is not beneficial for global stability if Taiwan is excluded from regimes and organizations which address issues like health, trade, financial markets or security. So the wish of the people in Taiwan to join such organizations and contribute to their functioning is not only seen as legitimate, but also in the US and European self-interest.

If EU-China relations have been going through a bit of a rough phase, this is definitely not due to the Taiwan issue. And the general position on the European

²⁴ The guidelines were drafted under the UK presidency in 2005, but not published at the time. They were revised in the second half on 2007 and then published: Council of the European Union, “Guidelines of the EU’s Foreign and Security Policy in East Asia”, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/en/misc/97842.pdf.

side to see China as an important partner has not been changed. However, the “image problem” of China in European publics cannot be overlooked.

Sino-US relations have become quite stable during the second Bush administration: New dialogue mechanisms, mil-mil relations etc. have been introduced to address economic frictions and other problematic areas. It is hard to imagine that the next US president – may he be Republican or Democrat – will reverse this cooperative approach. The question remains, however, whether plans for a “league of democracies” will be supported by the next administration and whether and how this would then affect US-China and US-Taiwan relations.

In general, there is a divide in the US as well as in the European Union between the governments on the one hand that pursue a cooperative approach with the Chinese government on a broad range of bilateral, regional and global issues, and parliaments and general publics (including the media) on the other hand which are more critical of China and often focus on a very limited scope of issues, like human rights, Tibet or Taiwan. And of course, the latter actors try to produce some pressure on the governments. This divide does not only exist with respect to China, but with respect to other countries as well, so it is quite normal at least for Western democratic systems. The Chinese side should simply accept this as a fact.

Question for discussion: What role would China see for the United States and the European Union on the cross-strait issue for the coming period?