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Risks and Opportunities to  
Cross-Straits Relations  
After Taiwan's 2004 Presidential  
Election

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After Taiwan's 2004 presidential election, cross-straits relations are said to have seen many risks, and at the same time there are a number of important opportunities ahead. But it is only by facing and solving the problems and entrapments at the structural level that the two governments on each side of the Taiwan Strait may overcome the vicious cycle of confrontation inherent in cross-Straits relations. Only then can the two sides work gradually and pragmatically towards a framework of cross-Strait interaction for peace and

stability.

First of all, with President Chen's reelection, on the one hand, China is likely to step up the use of deterrence tactics in preventing Taiwan from implementing de jure independence, but on the other hand, it is also possible that we begin to see further emphasis on a Taiwan policy that gradually begins to woo Taiwan's people.

Having said that, the fact is China has been feeling increasingly edgy and piqued over plans for a constitutional revision by the year 2006, starting from the time of the election when President Chen brought up the issue of using a referendum to revise Taiwan's constitution. In fact, during Taiwan's presidential election much of the campaign language was not only highly provocative for Beijing, but it is also something that has given rise to intense nationalist sentiment in China. To some extent this sentiment has become a hindrance, or at least it is not conducive towards a more lenient Taiwan policy on cross-strait interaction.

On top of this, with the year end legislative elections coming up, there could be some shifts in Taiwan's political climate and it is hard to say for sure that we won't see similarly confrontational language towards China during the campaign. Prior to this, Beijing is unlikely to make any major shifts in its policy. In such an ambient milieu and atmosphere both sides might be unable to construct any new approach to cross-Strait interactions until next year or until the direction of Taiwan's constitutional revision becomes clearer.

In effect, cross-Strait relations are a kind of dual-faceted and tri-level game. Interactions are confined by internal as well as external constraints, and at the same time cross-Strait relations are the outcome of equilibrium between Taiwan, the United States and China, which brings along a status quo that is unable to be unilaterally decided by any one side.

From this point of view, Taiwan is highly unlikely to make a unilateral move by declaring de jure independence, nor take any formal steps in this direction. What will be given emphasis is the reality: Taiwan's independent sovereignty.

Likewise, China is unlikely to achieve unification through the use of force and would even like to maintain steady cross-Strait relations, because internally,

development and stability are foremost considerations. At the same time, China is also unlikely to rescind from declaring its unification goal. Thus to deter Taiwan's independence, China will continue to utilize the threat of force and will make good use of U.S. pressure on Taiwan not to move in that direction. In the meantime, China will also step up the effort to connect with the Taiwanese people.

As for the United States, it is unlikely that the United States will take the initiative to propose a solution for cross-Strait issues, and it is equally unlikely that the U.S would push one side to accept the other's position. Instead the United States will seek to maintain a status quo that is based on: "neither force nor independence."

Clearly, at the present time, there is an extremely frail basis for cross-Strait mutual trust. In looking at this, we can approach from two different angles. Firstly, there is too huge a gap between the positions taken on the two sides of the strait. With one side wanting unification and the other pursuing an independent, sovereign Taiwan separate from the People's Republic of China, there is mutual and inbred resentment towards the other's policy.

Secondly, policy making models and the cycle for political power transitions of the two sides across the Taiwan Strait differ. These two factors have created a situation of misperception and poor judgment on both sides.

For instance, when President Chen put forward a proposal aimed at improving cross-Strait relations, there were hopes on the Taiwan side that China might quickly respond to Taiwan's policy position. In fact, since China's policy making is a relatively drawn out process and since policy tends to emphasize stability and continuity, it is not an easy matter to change its policy direction. So in this instance, due to the inability to get an answer within the short-term, Taiwan's good will gesture went to waste and there was little choice for the administration but to return to its previous position. On the opposite side, China feels that President Chen's cross-Strait policy changes too quickly: even while China is still deciding how to respond, Taiwan's government has already put out contradictory signals. This makes any response much like an exercise of self negation.

Finally, owing to the lack of dialogue and negotiation channels, both sides across the Taiwan Strait face a game of prisoner's dilemma. This lack of effective dialogue channels makes it impossible for each side to accurately read the other's true intentions and thus, more often than not, there is a negative reading of each other's policy. This factor further aggravates bilateral mistrust and leads to specific conclusions on each other's general policy approach to cross-Strait relations. As a result, both sides tend to criticize each other and constantly respond to the other's policy in the most unconstructive manner.

Under such circumstances, since the United States is something of a public procurator in this cross-Strait prisoner's dilemma, both sides wish to please the United States so as to better avoid being sold out. With this end result in play, neither Taiwan nor China are winners in the cross-Straits game. Of course, over the short-term it is the U.S. that derives the greatest benefits, however if and when cross-Strait relations deteriorate, there is a loss to U.S. interests and it could even result in a lose-lose situation for all three parties. The only way to solve this dilemma is via the construction of stable dialogue channels and a platform for negotiation. Only then will there be a more accurate understanding and a chance for both sides to make concessions. Otherwise, as in the classic prisoner's dilemma, policy is easily led around in circles, and all that is achieved is a worsening of relations.

Various factors such as, cross-Strait hostilities during the election period, the serious lack of mutual trust in cross-Strait interactions, divergent policy making models and power transition timing, as well as the lack of cross-Strait dialogue channels have ensnared us in a self-fulfilling prophecy. China is resentful of Taiwan's new policy position and believes that only time will tell whether or not Taiwan's policy is consistent. However, Taiwan is bound by its internal limitations upon power transition and consolidation. In the face of no response from China, after a period of time, Taiwan will make adjustments to its policy. This situation leads China to reaffirm its prior estimation of Taiwan as a trickster, without the heartfelt intention to improve cross-Strait relations.

Under these conditions, since each side's estimation of the other will only drift further away from the actual standpoint held by each side, it will become increasingly difficult to see any concessions made. It is this kind of viscous circle lurking behind cross-Strait relations that is a constant driving force for

conflict.

In view of the preceding analysis on the structural complications, it would seem that improved cross-Strait relations are exceedingly difficult. Nevertheless, owing to the past experience of continuous setbacks, there is also the impetus for both sides to reach a clearer understanding of the other's position as well as the underlying limitations. Certainly, there will be benefits for both sides, if a more realistic approach is taken and if a clear-headed approach is adopted in handling the existing latent risks.

For these reasons, we believe that the first specific step towards dealing with cross-Strait relations should be the establishment of a framework of interaction, starting from concrete low-level issues. This framework should be able to convey accurate information and should also slowly but surely build up mutual trust. To work towards such a goal is in the interests of all three parties, and the risks are relatively low. This approach should be the future focus in improving cross-Strait relations.

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