New Thinking on Taiwan's Cross-Strait Policy: Risks and OpportunitiesNew Thinking on Taiwan's Cross-Strait Policy:

Risks and Opportunities

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After Taiwan's 2004 presidential election, cross-Strait 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 across the Taiwan Strait may overcome the vicious cycle of confrontation inherent in cross-Strait 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, 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 even would 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."

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, whenever 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 aggravates bilateral mistrust and leads to the conclusion on each other's general policy approach on 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, both Taiwan and China are no 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 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, both sides should avoid the entrapments of the self-fulfilling prophecy and figure out the exit of the prisoner's dilemma. For these reasons, 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, such as negotiation over direct links and other economic issues. Particularly, Taiwan should adopt more concrete policy measures to initiate the direct links negotiation. This framework should be able to convey accurate information and should also slowly but surely build up mutual trust. To work towards such a

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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.

Second, Taiwan should also engage with China through bilateral long-term strategic dialogues by respective important scholars with policy significance in order to build mutual confidence and establish a preliminary dialogue mechanism across the Taiwan Strait.

Third, with China's intention to advocate its long-term strategy of peaceful rising in the international community, Taiwan should elaborate its counter strategy to peacefully engage and integrate with China and the international community. Without cross-Strait peace and development, China is not likely to peacefully rise as one of major powers in the international community. Based on this strategy, Taiwan could be a maker of democracy, peace, and prosperity in the Asia-Pacific area and represent a superb model to the world civilization, instead of a trouble-maker from the narrow strategic perspective of U.S.-China relations. For instance, Taiwan should play a role of a global and regional good citizenship to help Southeast Asian countries and other countries based on the principle of democracy, peace, and prosperity without return on diplomatic recognition or political tradeoff from the beneficiary.