



# Taiwan's Leadership Changes: Implications for U.S-Taiwan and Cross-strait Relations

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Ma Ying-jeou, the president of the Republic of China (ROC), was inaugurated on May 20, 2012, after winning his re-election bid on January 14 of that year. In a cabinet reshuffle in September 2012, several important members of his national security team were replaced by some new faces. These leadership changes suggest that President Ma will press ahead with more balanced Taiwan-U.S. and cross-strait policies.

Among other changes, Straits Exchange Foundation chairman Chiang Pin-kung has been replaced by Kuomintang (KMT) secretary-general Lin Join-sane; Mainland Affairs Council (MAC) chairman Lai Shin-yuan has been appointed representative to the World Trade Organization (WTO); and National Security Council adviser Wang Yu-chi has taken over as MAC chairman. Former KMT secretary-general King Pu-tsung has taken over the position of chief representative to the United States from Jason Yuan, who assumes the post of secretary-general of the National Security Council, following the resignation of council head Hu Wei-chen. Minister of Foreign Affairs Timothy C.T. Yang has been promoted to serve

as secretary-general of the Presidential Office, while Taiwan's representative to the European Union, David Lin, takes over the ministerial post. These leadership changes, as part of the Ma administration's move to reshuffle its national security and foreign affairs portfolios, might significantly affect Taiwan-U.S. and cross-strait relations.

For example, King Pu-tsung, the new representative to the United States, has been one of Ma's closest aides since joining his campaign team, helping him win the Taipei mayoral elections in 1997 and 2001 and presidential elections in 2008 and 2012. While King's lack of experience in foreign affairs was heavily criticized following his appointment, he was a senior adviser to the KMT's international affairs department and has actually taken part in many related programs

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*The views expressed are those of the author.*

and activities. During Ma's presidential campaign in 2011, he conducted a thirteen-day trip to the United States in his role as top campaign adviser to boost Ma's overseas support and facilitate communication with high-level U.S. officials, thereby winning the support of the Obama administration.<sup>1</sup>

Wang Yu-chi, the new MAC chairman, was formerly another one of Ma's top aides, having served as a spokesman for the Presidential Office and been involved in policymaking in the first Ma administration. Commenting on the appointment, Wang said that he would continue to promote cross-strait relations and seek to convey the government's cross-strait policies in a clear and accurate manner.<sup>2</sup> Additionally, newly appointed WTO representative Lai Shin-yuan said she would take advantage of her four years of experience at the MAC to promote the nation's global participation at the WTO, based on the success of the Ma administration's cross-strait policies.<sup>3</sup>

Following this introduction to the ROC's leadership changes, this commentary will discuss leadership changes in the United States and China, as well as their impact on U.S.-Taiwan and cross-strait relations. The third part will explore why these leadership changes do not necessarily mean a shift in Ma's cross-strait policies. The fourth part will focus on King Pu-tsung's diplomatic mission in the United States. Then, the fifth part will demonstrate why Taiwan will not take joint military actions with China on the issue of the Diaoyu/Senkaku Islands. The sixth section discusses what Taiwan can expect from its economic and security partnership with the United States. Finally, the conclusion will argue that the Taiwan-U.S. relationship is the cornerstone of the ROC's national security and is essential for the ongoing process of promoting the institutionalization of cross-strait relations.

## Leadership Changes in the United States and China and Their Impact on U.S.-Taiwan and Cross-Strait Relations

The implications of President Obama's re-election and subsequent nomination of John Kerry as his new secretary of state are that the administration's "rebalancing" strategy and cross-strait policy might not only remain intact but also become even stronger.<sup>4</sup> One may wonder how the United States can support and sustain its rebalancing strategy while its economy is in relative decline and its defense budget is shrinking. In fact, unlike during the Vietnam War era, the United States plans to make good use of the resources of its allies and partners through military training and drills, forward deployment of U.S. forces on a rotation basis, its "air-sea battle" concept, forward-deployed diplomacy, value systems, and the Trans-Pacific Partnership (TPP).<sup>5</sup> In other words, whether the U.S. rebalancing toward Asia succeeds depends not only on the United States' own resources but on cooperation and coordination between the United States and its allies and partners.

In the People's Republic of China (PRC), Xi Jinping's simultaneous assumption of the three most important political positions—secretary-general of the Chinese Communist Party (CCP), chairman of the Central Military Commission (CMC), and president of the PRC (starting from March 2013)—might grant him sufficient authority and power to demonstrate his muscle at home and abroad. For example, Xi appointed a new commander of the air force one week after assuming chairmanship of CMC. He also fired a corrupt local official shortly after the scandal was exposed on the Internet. Similar corruption cases used to take several months or even years to close after lengthy investigations. In addition, Xi decided

<sup>1</sup> Mo Yan-chih, "King Pu-tsung Is New Envoy to the U.S.," *Taipei Times*, September 20, 2012, 1, <http://www.taipeitimes.com/News/front/archives/2012/09/20/2003543196>.

<sup>2</sup> Mo Yan-chih, "Top China Affairs Officials Reshuffled," *Taipei Times*, September 20, 2012, 1, <http://www.taipeitimes.com/News/front/archives/2012/09/20/2003543195>.

<sup>3</sup> Ibid.

<sup>4</sup> Barack Obama, "Remarks by the President at Nomination of Senator John Kerry as Secretary of State," White House, December 21, 2012, <http://www.whitehouse.gov/the-press-office/2012/12/21/remarks-president-nomination-senator-john-kerry-secretary-state>.

<sup>5</sup> Ann Capling and John Revenhill, "Multilateralising Regionalism: What Role for the Trans-Pacific Partnership Agreement?" *Pacific Review* 24, no. 5, December 2011, 553–75.

to implement a quarantine policy in the South China Sea. Moreover, he continues to implement a policy of dispatching vessels to the disputed waters near the Diaoyu/Senkaku Islands.

While China's new leadership might take a more assertive stance in the waters of the East and South China Seas than ever before, Xi also has to take the U.S. rebalancing strategy toward Asia into serious consideration following the re-election of President Obama. It seems unlikely that Xi will take provocative actions toward the United States. Beijing will choose a nonconfrontational approach when facing a formidable U.S. security presence in Asia. In the diplomatic, political, and economic dimensions, however, Xi will make good use of China's diplomacy, soft power, and the Regional Comprehensive Economic Partnership (RCEP) to compete with the United States.<sup>6</sup> While accommodating U.S. rebalancing, Xi might still try to deal with the United States in his own way and attempt to make some political breakthroughs across the strait in the years ahead. In his policy toward Taiwan, Xi will increasingly exert pressure on the Ma administration to promote political dialogue across the strait, including on issues such as "two sides, one country," mutual respect for the political status across the strait, building mutual trust in military and security affairs, and a peace agreement.

## Leadership Changes and Cross-strait Policies

Since President Ma was re-elected in early 2012, China has intensified its promotion of political dialogue across the strait, believing that Ma would accommodate Beijing's peaceful development strategy in his second term. For example, at the KMT-CCP Forum held in Harbin on July 28, 2012, Jia Qinlin, chairman of China's Political Consultative Committee, suggested that "both sides of [the] Taiwan Strait belong to one China" or "two sides, one country." However, this author argued that Taipei

could not accept such a notion because the outside world, the United States and Japan in particular, would treat such a formulation as Taiwan and China combining to become a new country.<sup>7</sup>

Amid suspicions about Ma's cross-strait policies, he explained his reasoning in an address to military personnel on December 27, 2012.<sup>8</sup> First, the president pointed out that he defines Taiwan-China relations as a "special relationship," stressing that the military must recognize the special status of cross-strait relations while prioritizing its duty to ensure national security. Second, he noted that the ROC government is a sovereign state in accordance with its constitution. According to this constitution, "mainland China" is part of the ROC's territory. However, Taiwan cannot deny the existence of the PRC government being the de facto authority on the mainland. Consequently, the cross-strait relationship is not a state-to-state relationship but a special relationship between two sides who do not recognize each other's sovereignty, but also do not deny each other's existence.<sup>9</sup>

Third, Ma said the government would continue to promote peace across the Taiwan Strait under the basis of the "1992 consensus."<sup>10</sup> According to him, the cross-strait status is defined in accordance with the ROC constitution, and the two sides are able to put aside disputes and pursue a win-win situation by promoting peace across the Taiwan Strait. Fourth, the "three no's" are a policy proposed by Ma in 2008: no pursuit of unification, no Taiwanese independence, and no use of force in handling cross-strait relations.<sup>11</sup> Ma insisted that his administration would pursue cross-strait peace while maintaining the status quo across the strait. He also said the military would maintain a small but strong force to ensure the nation's security.

<sup>7</sup> This author clearly expressed his strong opposition to Jia Qinlin's notion of "two sides, one country" in the afternoon session at the KMT-CCP Forum in Harbin on July 28, 2012.

<sup>8</sup> Mo Yan-chih, "Ma Pushes 'Special' Cross-Strait Relations," *Taipei Times*, December 27, 2012, 3, <http://www.taipetimes.com/News/taiwan/archives/2012/12/27/2003551100>.

<sup>9</sup> *Ibid.*

<sup>10</sup> *Ibid.*

<sup>11</sup> *Ibid.*

<sup>6</sup> Suthichai Yoon, "TPP vs. RCEP: A New Washington-Beijing Tug-of-War?" *Nation*, December 6, 2012, <http://www.nationmultimedia.com/opinion/TPP-vs-RCEP-A-new-Washington-Beijing-tug-of-war-30195647.html>.

Fifth, all politically sensitive issues will be controversial in Taiwan. For example, in 2011 the KMT proposed the issue of a cross-strait peace accord in response to increasingly vocal demands from the right wing of the party. The KMT raised the issue simply because it was a campaign issue during 2007–8. As a result of insufficient support in Taiwan society, Ma placed three conditions on the issue of a peace accord, namely, popular support, legislative supervision, and national need. In order to put the public at ease, he even set a prerequisite for the peace accord, i.e., support by a national referendum. The same would be true for a cross-strait agreement on military trust and cooperation, since there has not been a sufficient social base in support of such an agreement. Given China's deployment of missiles along its coastal provinces and its opposition to U.S. arms sales to Taiwan, a cross-strait security agreement has never been a realistic idea in Taiwan, much less one powerful enough to overcome strong resistance from the ROC's defense ministry.

Last but not least, President Ma's firm stance on his policies toward the United States and China is clearly evident from his two important speeches. In a video conference with the Center for Strategic and International Studies (CSIS) on May 12, 2011, he proposed three lines of defense: institutionalizing the cross-strait rapprochement, enhancing Taiwan's contributions to international development, and aligning Taiwan's defense with its diplomacy.<sup>12</sup> In his inaugural address in 2012, Ma further proposed the "three legs of national security," namely, cross-strait peace, viable diplomacy, and a strong defense.<sup>13</sup> Having reaffirmed his long-standing position on cross-strait policies and Taipei's policy toward Washington, he implied that only the U.S.

security commitment can make the three legs walk firmly and healthily.

## Leadership Changes and U.S.-Taiwan Relations

At a press conference on December 27, 2012, Joseph Wu, executive director of the Policy Research Committee of the Democratic Progressive Party (DPP) and Taipei's former representative to Washington, said that the United States is concerned about the lack of transparency in cross-strait negotiations and the lack of communication between Taipei and Washington.<sup>14</sup> Wu also said that Washington has expressed concern through various channels about Taiwan's position on the disputes in the East and South China Seas, saying that Taipei appears to "have chosen to cooperate with China in challenging Japan and the U.S.-Japan security alliance" and adding that Taiwan is standing on the opposite side of the United States in the Asia-Pacific strategic landscape.<sup>15</sup> However, it is unlikely that there will be major problems between Taipei and Washington.

As Taiwan's top representative to the United States, King Pu-tung has pledged to convey Ma's desire to enhance bilateral ties with the United States.<sup>16</sup> Additionally, the appointment of Ma's close aide as de facto ambassador to the United States indicates that Taipei places great importance on its relations with Washington. King said that during his first three weeks in office he visited more than 20 senior U.S. government officials and 24 members of Congress.<sup>17</sup> King also expressed confidence about his mission in Washington. He said that the long-stalled

<sup>14</sup> Enru Lin, "Washington Envoy Has Listed No Goals: DPP's U.S. Representative," *China Post*, December 27, 2012, <http://chinapost.com.tw/taiwan/national/national-news/2012/12/27/365394/Washington-envoy.htm>.

<sup>15</sup> Ibid.

<sup>16</sup> Joseph Yeh, "King Bombarded in First Legislative Session," *China Post*, December 27, 2012, <http://chinapost.com.tw/taiwan/national/national-news/2012/12/27/365392/King-bombarded.htm>; and Shih Hsiu-chuan and Chris Wang, "King Grilled on U.S., Sexual Orientation," *Taipei Times*, December 27, 2012, 1, <http://www.taipetimes.com/News/front/archives/2012/12/27/2003551085>.

<sup>17</sup> Shih Hsiu-chuan, "U.S. Welcomed Appointment of Ma's 'Confidant': King," *Taipei Times*, December 28, 2012, 3, <http://www.taipetimes.com/News/taiwan/archives/2012/12/28/2003551182>.

<sup>12</sup> Ma Ying-jeou, "Building National Security for the Republic of China," Office of the President, Republic of China (Taiwan), May 12, 2011, <http://english.president.gov.tw/Default.aspx?tabid=491&itemid=24284>.

<sup>13</sup> Ma Ying-jeou, "Upholding Ideals, Working Together for Reform and Creating Greater Well-being for Taiwan," Office of the President, Republic of China (Taiwan), May 20, 2012, <http://english.president.gov.tw/Default.aspx?tabid=491&itemid=27199>.

talks about the Taiwan-U.S. Trade and Investment Framework Agreement (TIFA) will restart soon.<sup>18</sup> The TIFA was signed in 1994 as a framework for Taiwan-U.S. trade dialogue in the absence of official diplomatic ties but has been suspended since 2007, mainly because of controversies over imports of U.S. beef. Taiwan's passage of amendments to the food safety act in July 2012, which opened the market to U.S. beef, has paved the way for TIFA negotiations in the near future.

On the disputed Diaoyu Islands, which lie about 120 nautical miles (220 kilometers) northeast of Taiwan, Ma's position has been firm. Amid growing tensions over the disputed archipelago, he inspected military units on September 19, 2012, and was briefed on developments. "We have a full grasp of the situation," he said, adding that the air force, navy, and coast guard are keeping a close eye on the waters around the Diaoyu Islands and other nearby islands in the region. Meanwhile, the defense ministry said in a statement that it beefed up air patrols over the Diaoyu Islands and waters surrounding the islands. Ma's remarks came amid an escalation of the territorial dispute after the Japanese government, which already administers the islands, nationalized the issue by buying three of them from a private Japanese owner.<sup>19</sup>

In reaffirming Taiwan's sovereignty over the Diaoyu Islands, Ma reiterated the government's policy of resolving the dispute based on the principles of safeguarding sovereignty, shelving differences, pursuing peace and reciprocity, and jointly exploring resources. The president also repeated his call for all sides involved in the dispute—Taiwan, Japan, and China—to adopt the East China Sea Peace Initiative (ECSPI) he proposed on August 5, 2012, and to address the issue through peaceful means.<sup>20</sup> In his ECSPI,

Ma called on the parties concerned to adhere to the following principles:

1. Refrain from taking any antagonistic actions
2. Shelve controversies and not abandon dialogue
3. Observe international law and resolve disputes through peaceful means
4. Seek consensus on a code of conduct in the East China Sea
5. Establish a mechanism for cooperation on exploring and developing resources in the East China Sea<sup>21</sup>

In the wake of Japan's nationalization of the Diaoyu Islands, the ROC's stance on the disputed islands is firm: Taiwan will never give an inch on the issue of sovereignty. Since the sovereignty issue cannot be resolved in the short run, however, the disputes can be put aside for the time being. Because Taiwan claims sovereignty over the islands but Japan enjoys administrative powers over them, the ROC has to adopt a flexible approach. The sovereignty issue is very remote, but a fishing agreement between Tokyo and Taipei is reachable. The bottom line of the ROC's stance on the Diaoyu Islands is that Taiwan will never take joint military actions against Japan, much less the United States. Nevertheless, whether Taiwan is entering into negotiations on a fishing agreement with Japan or enforcing national laws on its territorial sea baseline, the country needs military strength as a backup.

### What Should Taiwan Expect from the United States?

When President Obama proposed his rebalancing strategy in 2010, his primary goal at that time was to double U.S. exports to Asia within five years, thereby rebalancing U.S. trade deficits.<sup>22</sup> In order to realize

<sup>18</sup> Yeh, "King Bombarded in First Legislative Session"; and Shih and Wang, "King Grilled on U.S."

<sup>19</sup> "Ma Inspects Arms Amid Sovereignty Row over Islands," *Taipei Times*, September 20, 2012, 3, <http://www.taipetimes.com/News/taiwan/archives/2012/09/20/2003543221>.

<sup>20</sup> For more on Ma's East China Sea Peace Initiative, see "President Ma Attends Activities Commemorating the 60th Anniversary of the Sino-Japanese Peace Treaty," Office of the President, Republic of China (Taiwan), August 5, 2012, <http://english.president.gov.tw/Default.aspx?tabid=491&itemid=27898>.

<sup>21</sup> "East China Sea Peace Initiative," Ministry of Foreign Affairs, Republic of China (Taiwan), November 14, 2012, <http://www.mofa.gov.tw/EnOfficial/Topics/TopicsIndex/?opno=cc7f748f-f55f-4eeb-91b4-cf4a28bbb86f>.

<sup>22</sup> "Remarks by President Barack Obama at Suntory Hall," Tokyo, Japan, The White House, Office of the Press Secretary, November 14, 2009, <http://www.whitehouse.gov/the-press-office/remarks-president-barack-obama-suntory-hall>.

this goal, the Obama administration must bear the following suggestions in mind when negotiating with states in the Asia-Pacific region.

First, the international political economy is conducted on a *quid pro quo* basis. It is by no means a one-way transaction. While the United States is moving in the direction of doubling its exports to Asia, regional states also need to double their exports to the United States. Only in this way will international trade be sustained and endure for a long time.

Second, the TPP, as the most important instrument in the U.S. plan to double exports to Asia, should open its doors to welcome the most promising Asian economies, or at least U.S. allies and partners. This would allow the United States to create a win-win situation for Asia-Pacific countries and itself.<sup>23</sup>

Third, only after joining the TPP can these countries negotiate with the United States to further liberalize their economies over a certain period ranging from five to ten years, depending on their economic and trade status. Moreover, only after removing these tariff and non-tariff barriers can these countries truly help the United States double its exports to their respective markets.

Finally, during the negotiating process between Asia-Pacific countries and the United States, Washington should bear in mind that benefits must be considered on a reciprocal basis. If their economic and trading structure is hurt by U.S. demands, these countries can hardly help the Obama administration realize its goal by 2015. In the face of ASEAN's emerging plans for the Regional Comprehensive Economic Partnership (RCEP), the Obama administration cannot simply afford to let down its allies and partners.<sup>24</sup>

Taiwan, in particular, needs to join the TPP negotiations for the following three reasons. First, if the ROC continues to negotiate with the United

States under TIFA, the United States might close the door of TIFA at any time, leaving Taiwan with only disappointment and dissatisfaction. Second, among the eighteen items in TIFA negotiations, only the U.S. beef issue was resolved, leaving seventeen items still to be dealt with. In particular, U.S. pork imports would be a disaster for Taiwan. In order for the recent food safety amendments to be approved by the Legislative Yuan, the Ma administration promised that the U.S. beef issue would be separated from the U.S. pork issue. Once the latter is again raised, however, the Ma administration will be embarrassed and attacked by the opposition. Third, only if the Obama administration grants Taiwan the insider status of joining the TPP will the ROC government have the bargaining chips necessary to convince the people of Taiwan to accept the conditions and requirements of further liberalization.

## Conclusion

The ROC cannot embrace China's economy without also embracing the U.S. security commitment because doing so would be political suicide. However, the U.S. security commitment and strategic reassurance cannot help Taiwan stand up economically. In the absence of cross-strait economic cooperation, Taiwan might be marginalized in the ongoing process of East Asian economic integration. In order to prevent Taiwan from depending too heavily on China's economy, the ROC hopes that the United States will extend assistance to Taipei by upgrading Taiwan to insider status in the TPP negotiations.

In the future, as long as the KMT is the ruling party, the ROC will continue to stick to its "three no's" policy of no independence, no unification, and no use of force, as well as its strategic approach of "making peace with China, making friends with Japan, and taking a pro-U.S. policy." The national security and cross-strait leadership changes of the

<sup>23</sup> Capling and Revenhill, "Multilateralising Regionalism."

<sup>24</sup> Yoon, "TPP vs. RCEP"

Ma administration indicate that Ma is implementing what he promised in his video conference with CSIS in May 2011 and his inauguration address on May 20, 2012. On both occasions, he pointed out that the Taiwan-U.S. relationship is the cornerstone of the ROC's national security while promoting the institutionalization of cross-strait relations. The reason for Ma's remarks is his awareness that only with the U.S. security commitment in hand can Taiwan have sufficient confidence in dealing with China to enjoy the economic benefits and greater peace of mind that come from an improved cross-strait relationship. ∞



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