

Taiwan's Legislative Yuan Elections and Cross-Strait Security Relations: Reduced Tensions and Remaining Challenges

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It is a pleasure to return to *China Leadership Monitor* after a year's sabbatical. It is also a pleasure to return at a time when I can report some real improvement on the most sensitive security issue in Sino-American relations: the relationship between mainland China and Taiwan. Although many challenges remain, including some on the near-term horizon, the chance of military conflict over the next three years seems smaller than it did just a few months ago.

Long-term readers will recall that my analysis in the first two volumes of *CLM* focused on the degrees of pessimism and optimism in Beijing about long-term trends, both in cross-Strait relations and in Sino-American relations regarding Washington's policies toward Taiwan. My basic analytic position has been that severe pessimism in Beijing about long-term trend lines in relations across the Taiwan Strait is the most likely potential cause of conflict across the Taiwan Strait. Since a Sino-American conflict over Taiwan is probably the only war involving two great powers imaginable over the next 10 years, this issue deserves our careful scrutiny.

The good news is that, since December 2004, we have moved from one of the most pessimistic years on record in Beijing to a period of marked relaxation (if hardly rosy-eyed optimism). The December 11, 2004, Legislative Yuan (LY) elections surprised many observers on both sides of the Strait and in the United States. The traditionally pro-independence pan-Green parties—President Chen Shui-bian's Democratic Progressive Party (DPP) and former president Lee Teng-hui's Taiwan Solidarity Union (TSU)—failed to meet expectations that they would wrest a majority in the Taiwan Legislative Yuan from the pan-Blue parties—the Kuomintang (KMT) and the People First Party (PFP)—which are more open to accommodation of the mainland on cross-Strait issues. The election results mean that it will be more difficult for the pan-Green to push through controversial measures relating to Taiwan's national title and territorial sovereignty in the process of revising the constitution, currently scheduled for completion by 2008. Such legal manifestations of Taiwan independence are the most likely red lines for People's Republic of China (PRC) military action against Taiwan.

Following the December 2004 LY election, the state of cross-Strait relations is still mixed. On the positive side, the two sides were able to find a way to agree on two-way, nonstop charter flights between Taiwan and the mainland for the Chinese New Year (or Spring Festival), carried out by airlines from both sides. On the negative side, Beijing seems set on passing an "antiseccession law" at the National People's Congress (NPC) in March 2005. Although we do not yet know the content of the law, it will almost certainly be unwelcome in both Taipei and Washington. Moreover, it will provide President Chen

and other advocates of Taiwan independence with an opportunity to adopt countermeasures that will be considered provocative on the mainland.

Below I will analyze the LY election and its impact on cross-Strait relations. In a nutshell, I will argue that, despite continued vigilance in Beijing regarding cross-Strait relations and the potential for new spirals of tension, the atmosphere is markedly better than it was last year, and that the likelihood of military conflict over the next two to three years seems appreciably lower. I base much of the analysis here on conversations with experts and government officials conducted during a trip to Taipei, Shanghai, and Beijing in January 2005 with an entourage of scholars from the Taiwan Workshop at Harvard's Fairbank Center.¹

Why 2004 Was a Bad Year Prior to the LY Elections

In 2004 there was an air of severe pessimism about cross-Strait relations in Beijing. During my August 2004 trip to Beijing, political analysts there said that it was increasingly difficult for government analysts and advisers to propose moderation and flexibility in policy toward Taiwan following Chen Shui-bian's unanticipated and controversial reelection. Chen Shui-bian appeared to be running the political table on a platform of rectifying the name of the Republic of China (ROC) to emphasize Taiwan's identity independent from China, significantly rewriting the constitution by use of popular referenda, etc. The hard-line political environment was rooted in the fact that many elites found it difficult to imagine that time was on the mainland's side with respect to containing Taiwan independence through peaceful means. An increasing number of mainland analysts were predicting some degree of military conflict across the Strait in the future, even if that conflict would not necessarily start in the next year or two.² Moreover, given the evolution of Taiwan politics since the early 1990s, Jiang Zemin's leadership was seen as overly optimistic and insufficiently proactive in Taiwan policy. Added to this rocky legacy, the process of transition to the new leadership under Hu Jintao and Wen Jiabao, in which elites were striving to secure and improve their positions in the new governmental order, only led to greater caution about appearing overly accommodating to Taiwan. In other words, the environment across the Strait and in domestic politics in China made it difficult for even the most moderate advisers to counsel patience and flexibility on Taiwan.

President Chen's speech to a rally on ROC National Day (October 10) only exacerbated these negative trends in mainland thinking. According to knowledgeable interlocutors, President Chen had apparently suggested to Washington that his public statements on that day would be conciliatory to the mainland; he would make positive references to previous cross-Strait dialogue in the early 1990s, and open the door for future dialogue. While the speech at the rally included positive and potentially constructive references to 1992, it also included a lot more. Chen stated that, "Taiwan is a small country. ... The sovereignty of the ROC is vested in the 23 million people of Taiwan. ... Taiwan is the Republic of China and the Republic of China is Taiwan."³ After President Chen's October 10 speech, anger in the PRC capital over the speech was

reported to be palpable, and pessimism severe. Discussions were rife about the potential need for future military actions, perhaps quite limited in nature, to demonstrate the credibility of PRC military threats to Taiwan.⁴ Given the high risk of escalation associated with any limited conflict across the Strait, such statements were troubling indeed. This environment only worsened in the last two weeks of the LY election campaign, when President Chen played up the most controversial issues on the pan-Green agenda, including asserting Taiwan's identity separate from China, reiterating the need for a radically new constitution, and calling for rectification of Taiwan's name (*zhengming*) on the international stage (Taiwan's official government name is Republic of China). In campaign speeches President Chen would state, "Taiwan is Taiwan," and would treat Chinese national heroes, such as Sun Yatsen, as "foreign" personages.⁵

The December 2004 Legislative Yuan Elections in Taiwan

The biggest recent news relating to PRC security issues is certainly President Chen's failure to secure a majority in the Legislative Yuan for candidates of the traditionally pro-independence pan-Green parties in the December 2004 polls. Many analysts in Washington, Beijing, and Taipei expected Chen to ride the momentum of his presidential reelection and secure control over the LY as well. However, Chen's DPP gained only two seats, far fewer than had been anticipated, and its allied party, the TSU, lost one. As a result, the pan-Green now controls only 101 seats in a legislature of 225 seats. Of the four major parties, the one most in favor of accommodation with the mainland, the PFP, fared the worst, losing 12 seats, but its ally, the KMT, secured enough seats (79, up from 68) to guarantee that the opposition pan-Blue coalition maintained its majority in the LY.⁶

The election result has two important implications for stability in cross-Strait relations over the next few years (in the period before the next LY election in late 2007 and the next presidential election in 2008). First, the pan-Blue opposition to President Chen maintains a majority in the LY, making it more difficult for Chen to gain the supermajority he needs to pass controversial revisions to the constitution that might spark a conflict, such as those that would touch on sovereignty or the national title, during the promised constitutional revision process over the next few years. More generally, the results also slow the momentum of pro-independence politics on Taiwan witnessed from 2001 to 2004, when ever-increasing percentages of the public backed pro-Green candidates at the presidential and LY levels. The public in Taiwan appears to understand the risks of pursuing legal independence vigorously, regardless of their inner feelings on the question of independence (and I believe the majority of Taiwanese would jump at the chance for permanent independence from China if it were free of military and economic costs). The Taiwanese people do not want to provoke the mainland unnecessarily, particularly if they cannot be certain of U.S. military support not only for the island's safety in general, but also specifically for the pursuit of an independence agenda.

In the lead-up to the LY elections, the Bush administration clearly rejected Taiwan independence and undercut President Chen's platform regarding the

“rectification of the country’s name” by opposing his efforts to change the names of Taiwan’s representative offices abroad and of state-owned enterprises. Washington thereby sent credible signals to the Taiwan voters that President Chen’s strategy ran the double risk of not only destabilizing cross-Strait relations but also alienating Washington at a time when Taiwan might most need U.S. support. This assertive approach in Washington was noted in Beijing as well as Taipei as a force for restraining President Chen’s agenda and harming the prospects of the pan-Green parties in the LY elections. The U.S. role was universally welcomed on the mainland. Some in Taiwan have noted the U.S. role with bitterness, and others with satisfaction, depending on whether they represent the pan-Green or pan-Blue camps. Few, however, seem to deny the influence of the United States in the election outcome.⁷ So, the Bush administration arguably succeeded in its efforts. Washington convinced actors on both sides of the Strait that, despite continued offers of weapons sales to Taiwan and deepening military integration between the Taiwanese and U.S. military establishments in the face of a rising military threat from the PRC, the United States does not support provocative political moves by Taipei that could spark a conflict. In that context, Taipei should not assume that Washington’s security assistance to Taiwan constitutes a blank check.

In Beijing, complaints about U.S. defense policies toward Taiwan persist, but a great deal of the edge has been taken off these policies by the stabilizing political stance adopted by the Bush administration toward pro-independence forces in Taiwan. At least for the time being, Washington has arguably found a very good balance between maintaining the credible threat of intervention if the PRC were to try to force Taiwan to accept unification with the mainland, on the one hand, and providing credible assurances that the United States will not use its military advantages and defense policies toward Taiwan to encourage provocative behavior on Taipei’s part on the other.

The voters in Taiwan appear to have received this message from Washington, even if President Chen seemed to ignore the warnings and to pursue his campaign agenda despite them. In the view of a rather frustrated member of his own party, President Chen seemed so confident of his ability to secure a pan-Green majority that he concentrated his campaign tactics on maximizing the number of seats within a pan-Green majority that would be held by his own DPP colleagues, as opposed to his TSU allies. According to this account, in the last few weeks of the campaign in particular, President Chen adopted strong pro-Taiwan independence rhetoric so as to steer votes to his DPP from the radically pro-independence TSU, headed up by former president Lee Teng-hui. The effort failed, as critically important swing voters either did not vote at all (turnout was about 7 percent lower than pan-Green strategists had anticipated) or voted for members of the pan-Blue coalition in larger numbers than expected.⁸ The strong sense of disappointment in the pan-Green camp had less to do with actual pan-Blue victories than with dashed hopes for a dramatic victory that would have placed the pan-Green in charge of the legislative and executive branches of government in the lead-up to the scheduled constitutional reform process.

Juridical independence for Taiwan, particularly in the constitutional revision process, seems the most likely red line in Beijing for the use of force against Taiwan.

Even if the opposition pan-Blue parties had lost their majority in the Legislative Yuan, it would have been difficult for President Chen to revise the constitution in a way that would legally assert Taiwan's independence from the Chinese nation. (According to the August 2004 constitutional revision law, he would require a supermajority of an LY quorum followed by a referendum supported by a majority of eligible voters, not just a majority of actual voters.) But before the LY elections, political momentum seemed to be very much on the pan-Green movement's side, particularly following President Chen's controversial reelection in 2004. Another devastating loss for the pan-Blue and another victory for the pan-Green would have represented real momentum for pro-independence forces on the island, especially given the prominent position that sovereignty issues held in both 2004 campaigns. Such an outcome could increase the likelihood that President Chen might use legislative measures and legal tactics to push through meaningful constitutional revision regarding Taiwan's sovereignty, despite the formidable hurdles he faces. This initiative would have required great creativity on President Chen's part, but Chen has demonstrated great creativity before and, at least to this observer, seems to be a dedicated advocate of Taiwan independence who will not abandon his dream easily. For example, after a victory in the LY election, President Chen might first have attempted to gain a supermajority in the Legislative Yuan behind the more general, and less controversial, concept of reducing the hurdles for constitutional reform. After that proposal had passed, he could then have raised more controversial proposals that touched on territorial sovereignty, the national title, etc. In addition, President Chen might have presented as "clarifications," rather than "revisions," alterations to the name of the country in the draft revisions to the constitution (e.g., adding in brackets the word "Taiwan" after the name "Republic of China" in the constitution). While such outcomes, among others, are still possible, they seem less likely to succeed in the next few years given the pan-Green difficulties in the December 2004 LY elections and the political context in which that perceived defeat took place.

One Election, Differing Interpretations

The pan-Green clearly did not do as well as observers in Taiwan, Washington, and Beijing had expected. There are two very different explanations for why. The two reasons offered are not mutually exclusive, but an interpreter's relative emphasis on one or the other correlates with that interpreter's level of optimism, both about the general cautiousness of the Taiwan public and about the impact of domestic constraints on potentially provocative measures Taipei could take in the coming years.

The first explanation for the pan-Green's disappointing showing focuses on President Chen's campaign strategy and the domestic and international politics of an active pursuit of Taiwan independence. One pan-Green and one pan-Blue interlocutor emphasized that low turnout was important for the result. In this interpretation, many voters, especially unaffiliated voters, had grown tired of the "ideological issues" regarding identity politics being pushed by President Chen. They wanted more focus on bread-and-butter domestic issues. The United States is credited or blamed, depending on the messenger, for playing a big role in steering "light Green or light Blue" voters away

from Chen's pro-independence positions. For example, State Department spokesman Adam Ereli quickly stated that the Bush administration did not support President Chen's efforts to change the names of Taipei's international representative offices and state-owned enterprises, considering such a move a unilateral change in the status quo and therefore not conducive to stability.⁹ Administration officials' statements sometimes seemed to exceed actual policy guidelines, including statements by Secretary of State Colin Powell to reporters in China that seemed to scrap (almost certainly inadvertently) key aspects of the decades-old U.S. one China policy.¹⁰ Some clarification was made by the State Department to point out that the U.S. policy was unchanged and was aimed at peaceful "resolution" of cross-Strait issues, not "reunification," as Powell had put it. Still, the tone of Powell's comments and the critical statements made by State Department spokesmen regarding President Chen's campaign rhetoric had a real impact in both Taiwan and Beijing.

The second explanation for the DPP's failure to attain its goals in the election focuses on technical electoral campaign tactics, rather than political content. Taiwan has an unusual single-vote, multirepresentative district system that requires careful allocation of party votes to maximize the number of seats each party secures. Any vote above what a candidate needs to be elected is a wasted vote that could have helped a fellow party member. Because they were overly optimistic, the DPP nominated too many candidates, and TSU and DPP candidates cannibalized each other to the benefit of the more strategically and conservatively nominated KMT candidates. In other words, the DPP fared poorly because it did not handle the *peipiao* or vote distribution system well in many wards. So, this interpretation posits, the long-term momentum for pro-independence politicians since 2000 has only been somewhat stemmed, not reversed. Perhaps unsurprisingly, the most optimistic spin one gets on the LY election from DPP officials in Taipei and the most pessimistic spin one gets on the election in Beijing both focus on these technical issues.

There is at least something to this argument. To support this "technical failure" thesis, one can point out that the DPP did increase both its percentage of the vote (by 3 percent) and its number of seats (by two) over the 2001 LY elections, while the Taiwan Solidarity Union results were largely flat (losing only one seat). Moreover, the biggest loser in the election was the most pro-accommodationist of the four major parties, the PFP, which lost 12 seats. Together the pan-Green parties secured 46 percent of the vote—short of a majority, but not significantly less than the 50 percent President Chen secured in his reelection in March 2004. With no preelection shooting incident, with the lower salience of nationalist issues in local campaigns, and with a good deal of U.S. public pressure on President Chen over his radical campaign rhetoric, one might have expected a bigger gap than this.¹¹ All of this means one must still pay attention to the fact that President Chen and his pan-Green movement gained in popularity from a slim plurality of the vote in a three-way race in 2000 to a slim majority in a two-way race in 2004.

The two explanations can, of course, be combined. Even if we adopt a detailed analysis of the LY elections and take into account the oddities of the single-ballot,

multirepresentative districting system, we can still see how high politics and rocky relations with the United States helped determine the outcome. In such a system, party discipline prescribes tried-and-true party members to vote for the weakest, least popular candidates so as to maximize the number of seats secured in each district. The party depends then on swing voters, who lack commitment to party discipline, to back generally more popular individuals in sufficient numbers. If those swing voters don't show up at the polls because they are put off by the campaign, otherwise popular candidates can lose—as they did in many cases, according to one well-connected DPP interlocutor.¹²

Pan-Green and pan-Blue observers alike believed that President Chen's decision to adopt a more radical posture on Taiwan sovereignty was aimed primarily at preventing too many of the pan-Green seats from being occupied by TSU members. Apparently Chen feared additional management problems for his pan-Green coalition if the TSU gained 20–30 seats within a pan-Green majority. Of course, that majority never came to pass. When asked directly whether the DPP would have been happier with a pan-Green majority with more TSU seats or a pan-Blue majority in the LY with the DPP still dominating the pan-Green coalition, the answer from a top DPP member was that more TSU seats was obviously preferable.¹³ Since all interlocutors in Taiwan believed voting behavior was linked to Chen's campaign rhetoric and to the U.S. reaction to that rhetoric, one can only treat the outcome of the election as a strategic loss for the DPP's policy platform, not just as a result of poor technical planning.

Political Challenges in Cross-Strait Relations after the LY Elections

The remaining concerns expressed in Beijing about political trends on Taiwan after the LY election are not necessarily very dangerous. In fact, it is probably a good thing that we do not see the huge mood swings between severe pessimism and severe optimism that were characteristic of Beijing from 1999 to 2003. The disappointment that follows periods of excessive optimism can squeeze moderation out of the policy process. The biggest danger looking forward in the next few years is arguably that Chinese Communist Party (CCP) elites might not sufficiently understand that the answer to the challenge they face is not simply the maintenance of a tough and uncompromising policy toward Taipei. Many in Beijing might draw the conclusion that inflexible policies toward Taipei are the order of the day, e.g., continued military strengthening, continued rigidity on concepts of sovereignty, and continued rejection of any diplomatic space for Taiwan in international institutions like the World Health Organization, etc. The logic might be, "Why change now, since the policy of military deterrence and stiff-arming Chen Shui-bian seems to have worked?" A second intellectual problem lies in an excessive focus on Chen Shui-bian as an untrustworthy partner and an insufficient focus on Taiwan as a corporate entity. The public in Taiwan needs to be assured that it will not be forced to give up its de facto sovereignty if it resists efforts by pan-Green politicians to create additional legal trappings of permanent Taiwanese independence from the Chinese nation. Beijing's failure to provide such assurances over time might inadvertently play into the hands of those Taiwan political forces pushing for de jure independence. To the degree that the

mainland seems inflexible and militant toward Taiwan, pan-Blue proposals for accommodation of the mainland on any issue that touches on Taiwan's sovereignty will appear to be a sellout of the island.

In addition to the problem of intellectual rigidity, domestic political factors could tend to reduce Beijing's flexibility and creativity in Taiwan policy, particularly during the ongoing political transition to and consolidation of Hu Jintao and Wen Jiabao's authority as supreme leaders of the PRC. Jiang Zemin's leadership on the Taiwan issue has apparently come under quite a bit of criticism, albeit not in public. The question is whether Hu can do more on Taiwan policy over time than just be tougher than Jiang. The Taiwan issue is wrapped up in CCP domestic legitimacy. Experts in the CCP emphasize that one major concern of top leaders in China is the potentially explosive nature of Chinese nationalism on certain emotional issues related to China's "century of humiliation." At the top of this list are policies toward Japan and Taiwan, two issues on which Chinese elites are loath to appear weak and overly accommodating. The fear is not simply of inciting a nationalist outburst against the government, but additionally of providing a high-profile opportunity to people already upset with the government for purely domestic reasons. Perceived high-profile weakness or failure on Taiwan policy could allow groups to turn allegedly patriotic fervor against the government.¹⁴ Such protests could provide real challenges to the government, which is very reluctant to crack down on explicitly patriotic movements that employ nationalistic slogans originally fostered by the government itself.

Having attended the Asian Cup soccer final between Japan and China in Beijing in August 2004 and having witnessed the incredibly high number of paramilitary and police forces sent to the stadium to keep the peace, I find it easier to believe that these stated concerns of Chinese elites are sincere. They are probably not just arguments tactically deployed for foreign consumption. One need not choose between factors relating to state-society relations in the PRC and those relating to individual leaders' incentives in the transition process. Since maintaining domestic stability and improving China's image abroad are core security missions of the Chinese Communist Party as a corporate entity, individual leaders will likely try to protect their reputations for vigilance and toughness on these issues during the transition.

The Signals on Cross-Strait Relations since the LY Election

So far, the signals have been mixed on mainland policy toward Taiwan since the LY election. On the one hand, Beijing was relatively forthcoming and flexible in allowing an agreement to be reached in Macao between airline representatives and aviation officials from the PRC and their counterparts from Taiwan regarding two-way, nonstop charter flights between Taiwan and multiple mainland cities by airlines from both sides. Although Beijing would not allow cabinet-level representation from Taiwan's Mainland Affairs Council as Taipei had wished, Beijing demonstrated flexibility by allowing lower-level functional Taiwan government representatives from the aviation authority to join the entourage for negotiations, albeit technically in an advisory and unofficial

capacity. Beijing also avoided using the term “domestic” (*guonei*) to describe the flights, a label that would almost certainly be rejected by Taiwan.¹⁵ If the pan-Green had triumphed in the LY elections and the momentum still seemed to be strongly in favor of pro-independence forces, it is much more doubtful that such compromises could have been made in January 2005 in Beijing. With the election results as they were, however, the PRC seemed eager to make the flights work. Mainland airlines proposed discount fares for passengers as a way of luring travelers at the 11th hour away from flights that were scheduled to take the traditional routes, stopping in Hong Kong or Macao before heading to Taiwan.¹⁶

Although there is a danger that they will create false expectations, the charter flights this Spring Festival might provide a foundation for some other symbolic agreements across the Strait. One innovative, if not entirely realistic, proposal raised in Beijing during early January calls for a series of intercity freeways in China linked to Taiwan by a cross-Strait tunnel. This plan (perhaps we should call it the Strunnel?) is, of course, unlikely to be implemented anytime soon. But the fact that such ideas are being floated at all suggests that the Spring Festival flights might not be the last word out of Beijing regarding cross-Strait cooperation.¹⁷

Unfortunately, quite negative signs persist across the Strait as well. Beijing is preparing to pass an “antiseccession” law at the March 2005 National People’s Congress. According to mainland interlocutors, for the past few years this law has been discussed in various forms, including the more provocative form of a “unification law.” The domestic push for such a law picked up critical momentum in late 2003, when Taiwan President Chen introduced legislation regarding defensive referenda and promised to rewrite Taiwan’s constitution if he were elected for a second term. The movement for such a law then gained further momentum after President Chen’s October 10 speech in 2004, when a pan-Green victory in the LY elections seemed the most likely outcome to analysts on the mainland; President Chen’s pro-independence rhetoric rose steadily in intensity in the weeks before the election.

Even though the pan-Green failed to win a majority, the train has left the station on the antiseccession law. Some analysts on the mainland quietly recognize that the timing for such a law is no longer quite right, given the LY election result and the negative reaction such a law will provoke among the Taiwan public. But everyone interviewed on the mainland expects some version of the law to pass. The main reasons cited are the domestic political factors discussed above. Subtle changes in wording on the final law might still be open for negotiation, but some draft outline of the law is apparently already on every NPC member’s desk, and no one is calling for the bill to be shelved. The basic argument is that once such a notion has been proposed to members of the NPC and floated internationally, no political elites will step up to nix the idea. Even if one could argue that the timing is no longer right for such a law, domestic critics could counter that the mainland needs to be more proactive on Taiwan, instead of simply reacting to temporary changes on the island. On top of strategic arguments for a more proactive PRC approach, President Hu and Premier Wen and their advisers are clearly

trying to foster an image of themselves as proactive tacklers of long-term problems. This emphasis further reduces the room for maneuver on the antiseccession law.¹⁸

The party has been particularly secretive about what appears in current drafts of the law and what might appear in the final version, but in discussions in Beijing mainland analysts seemed tasked by the party to argue that the law will likely be moderate and relatively vague in nature. One constant refrain was that the new top CCP leadership demonstrated real cool-headedness by fending off lower-level demands for a unification law, perhaps with a timeline attached, and by consulting in advance with the United States on the meaning of an antiseccession law by sending State Council Taiwan Affairs Office Director Chen Yunlin to Washington in early January.¹⁹ Still, especially given the legislation's history, it is hard to argue that the antiseccession law was originally meant as anything but a signal of toughness from the new Chinese leadership toward Taiwan and the United States.²⁰

The problem, of course, is that any antiseccession law on the mainland will trigger a negative reaction on Taiwan. The antiseccession law, and particularly its timing, will be taken as a sign of inflexibility in Beijing, if not as an act of hostility. The intensity of the reaction might depend on the wording. One danger is that the “one country, two systems” formula touted by Beijing since Deng Xiaoping's early tenure in office will be included in the law. This concept is rejected in Taiwan by most members of both Green and Blue coalitions. It is widely seen there as denying Taiwan's sovereignty and as placing Taiwan in the same category as Hong Kong, a territory that never enjoyed sovereignty. Although they differ on whether sovereignty lies in Taiwan or the Republic of China, the vast majority of Taiwan citizens believe they are different from the people of Hong Kong in that they have long enjoyed sovereignty of some sort.²¹

Chen Shui-bian has already threatened that any passage of an antiseccession law might lead to adoption of an anti-annexation law on Taiwan (such a law could perhaps be passed by simple “defensive referendum,” as it would not be a constitutional amendment).²² The Taiwan Affairs Office in Beijing fired back that such a move on Taiwan's part would be deemed a move in the direction of independence.²³ It is easy to imagine, then, an action-reaction cycle being sparked by Beijing's antiseccession law.

Of equal importance, the adoption of an antiseccession law might squander a real opportunity for improvement in relations across the Strait. According to one well-connected interlocutor from the DPP, the shock of the LY elections apparently led even many loyal pan-Green supporters to rethink some of the previous formulations regarding sovereignty offered by the mainland, including Qian Qichen's formula that “the mainland and Taiwan both belong to one China” (*dalü yu Taiwan tongshu yi ge Zhongguo*). In that context, a major cost of the conservative atmosphere in Beijing surrounding the antiseccession law is that discussions of creative ideas such as “shared sovereignty” (*gongshang zhuquan*), briefly entertained in the late 1990s, might not be entertained at high levels in Beijing precisely at a time when they might still find a wider audience on Taiwan.²⁴

Finally, Beijing might be highly disappointed in the U.S. reaction to any antiseccession law. Many in China appear to believe that U.S. leaning on Taiwan before the LY elections is part of a broader trend in which Washington, for reasons related to Iraq, North Korea, and the war on terrorism, needs practical cooperation from the mainland. Therefore, they believe the U.S. will continue to lean on Taiwan, even after President Chen's strategy in the LY elections was defeated. But Washington is interested in the stabilization of cross-Strait relations, not just leaning on Taipei to avoid provoking the mainland. Many in Washington must view the LY election results as a success for U.S. policy and an opportunity for the mainland to relax its posture toward Taiwan. The passing of the antiseccession law, especially if it is not accompanied by more accommodating positions on cross-Strait dialogue, confidence-building, etc., will likely trigger a negative reaction in Washington.

Conclusion

For the time being, relations across the Taiwan Strait are much more stable than they were in 2004. Such an outcome is much better from a U.S. perspective than the increasing tensions in cross-Strait relations and the fast-paced growth of dangerous degrees of pessimism about the long term in Beijing. Moreover, as many on both sides of the Strait recognize, U.S. policy helped bring this easing of tensions about. Whether some combination of stubbornness and domestic politics on both sides of the Taiwan Strait will curtail this period of relative stability remains to be seen. The first big challenge will be the politics on both sides of the Strait surrounding Beijing's plan to pass an antiseccession law at the National People's Congress in March. We can revisit this issue in the next edition of *China Leadership Monitor*.

Notes

¹ The author would like to thank Michael Glosny for expert research assistance and Harvard's Taiwan Workshop for hosting the trip.

² Discussions in Beijing with government experts and scholars, August 2004.

³ "President Chen's Speech to the National Day Rally," October 10, 2004, <http://www.gio.gov.tw/taiwan-website/4-0a/20041010/2004101002.html>.

⁴ These impressions of U.S. scholars were supported by interlocutors' reflections on the time in January 2005.

⁵ See Huang Tai-lin, "Chen Pledges to Change Names," *Taipei Times*, December 6, 2004, 1; Huang Tai-lin, "Chen Stands by Name Change," *Taipei Times*, December 7, 2004, 1; and Jewel Huang, "Say 'Taiwan' Aloud, Chen Urges People," *Taipei Times*, December 9, 2004, 1.

⁶ See Linda Yeh, "Pan-Blues Retain Majority," *Taipei Times*, December 12, 2004, 1; Edward Cody, "Chen Dealt Setback in Taiwan Election," *Washington Post*, December 12, 2004, sec. A, p. 16; and Keith Bradsher, "In Taiwan Ballot, Ties with Beijing Seem to Be a Winner," *New York Times*, December 12, 2004. For another analysis of the outcome of the election, see Ralph A. Cossa, "Taiwan Election Upset: Now What?" *PacNet* 52 (CSIS Pacific Forum), December 13, 2004.

⁷ Interviews in Taipei, Shanghai, and Beijing, January 2005. See Huang Tai-lin, "Koo Blasts U.S. for 'Arrogance,'" *Taipei Times*, December 9, 2004, 3.

⁸ Interviews in Taipei, January 2005.

⁹ In his daily briefing, State Department deputy spokesman Adam Ereli said, “These changes of terminology for government-controlled enterprises or economic and cultural offices abroad, in our view, would appear to unilaterally change Taiwan’s status, and for that reason we’re not supportive of them.” For the full text, see “Daily Press Briefing,” U.S. State Department, December 6, 2004, <http://www.state.gov/r/pa/prs/dpb/2004/39460.htm>. See also Charles Snyder, “Name Changes Would Violate ‘Status-Quo’: U.S.,” *Taipei Times*, December 8, 2004, 1.

¹⁰ Secretary Powell made these statements in two interviews during his trip to China in late October 2004. See “Interview with Mike Chinoy of CNN International TV,” October 25, 2004, <http://www.state.gov/secretary/former/remarks/37366.htm>. See also “Interview with Anthony Yuen of Phoenix TV,” October 25, 2004, <http://www.state.gov/secretary/former/remarks/37361.htm>. For the attempt at clarification by Adam Ereli, see “Daily Press Briefing,” U.S. State Department, October 25, 2004, <http://www.state.gov/r/pa/prs/dpb/2004/37401.htm>. Despite some potential gaffes in the wording by high-level State Department officials both before and after the election, the general intended message to Taipei and Beijing seemed to have been received. (Deputy Secretary of State Richard Armitage would similarly misstate the U.S. policy on Taiwan on the *Charlie Rose Show* after the election.) Most interlocutors on the mainland did not take the loose wording of the State Department officials to signal a fundamental shift in the U.S. one China policy, so any unintended effects on the side of undercutting U.S. credibility regarding its resolve in preventing PRC attacks on the island seemed minimal at worst.

¹¹ See Note 5.

¹² Interview in Taipei, January 2005.

¹³ Interviews in Taipei, January 2005.

¹⁴ This has been a long-running theme in my interview research in China, and it resurfaced prominently in January 2005.

¹⁵ The mainland instead called the flights an internal (*neibu*) matter for Chinese people. Before the meetings in Macao, Chinese officials did entertain a purely professional (i.e., nongovernmental) entourage in Beijing, as well as an entourage from the opposition KMT from Taiwan. Meeting with members of the KMT was clearly a way of jabbing Chen Shui-bian even as a deal was struck. It is interesting that the *People’s Daily* overseas edition on January 15, 2004, matter-of-factly wrote on the cover page that officials from the Aviation Office of Taiwan’s Transportation Ministry joined the group. “Transportation Ministry” was placed in quotation marks to show a lack of recognition of Taiwan’s central government, as is the official practice on the mainland. See “Liang an hang kong ye jie renshi fu aomen tan chunjie baoji” (People from aviation circles from the two sides of the Strait attend Spring Festival charter flight talks in Macau).

¹⁶ For an early public proposal for such discounts, see “Xiamen hangkong yao fei bei gao” (Xiamen Airlines wants to fly to Kaohsiung and Taipei), *Zhongguo shibao* (China Times), January 6, 2005, 1.

¹⁷ See “Zhongguo guihua jianshe Beijing zhi Taibei gaosu gonglu” (China plans a high-speed roadway from Beijing to Taipei), *People’s Daily* (overseas edition), January 14, 2005, 1.

¹⁸ One interlocutor in China saw the passing of an antiseccession law as a preemptive measure before the election of a new National Assembly in May 2005, in the same sense that on May 17, 2004, China preempted Chen Shui-bian’s inaugural speech of May 20, 2004, with some tough warnings regarding Taiwan independence. Of course, one might point out that with no pan-Green majority about to take power in the Legislative Yuan, such a tough posture would not appear necessary. One problem with this logic is that once the measures have been raised in the NPC, recalling this “proactive measure” in the face of subsequent political events in Taiwan would make leaders look much less proactive!

¹⁹ See Ching Cheong, “China Assures U.S. over Taiwan Worries,” *Straits Times*, January 8, 2005.

²⁰ “HK Daily: PRC Experts Discuss Expected New Hu-Wen Taiwan Policy,” Hong Kong *Ta kung pao* (Internet version—Chinese), January 22, 2005, FBIS CPP-2005-0122-000028 (includes dispatch from Beijing by staff reporter Che Chih-kuo titled “Experts: Hu [Jintao] and Wen [Jiabao] May Announce a New Policy on Taiwan”).

²¹ On these points, see, for example, “Jiang’s Reunification Plan Falls on Deaf Ears,” *China Post* (editorial), January 30, 2005.

²² Maubo Chang, “President Threatens to Counteract Beijing Law with Taiwan Law,” Taipei Central News Agency, January 20, 2005, FBIS CPP-2005-0120-000232.

²³ For the original discussion in Chinese, see Li Weiyi’s press conference on January 26, 2005, in “GuoTaiBan: Suowei ‘fan binglun fa,’ shi ‘Taidu’ fenlie xingjing” (The Taiwan Office: The so-called anti-

annexation law is a splittist behavior of the Taiwan separatists,” http://news.xinhuanet.com/taiwan/2005-01/26/content_2510109.htm. For an English translation, see FBIS CPP-2005-0126-000100, January 26, 2005.

²⁴ I was told that on the mainland, only a few people in academic circles are currently discussing controversial issues such as shared sovereignty.