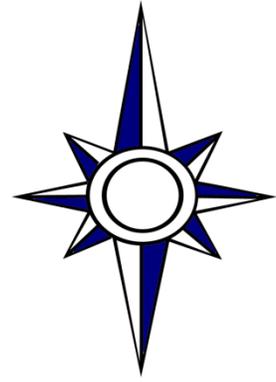


Comparative Connections

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China-Taiwan Relations: Building Trust?

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Beijing is increasingly exploring ways to address cross-strait political issues and is promoting agreement on a “one China framework” as the way to build mutual trust. However, differences remain very apparent, at least for the present. The first formal exchange of visits by officials is being planned, raising important policy implications. Taipei’s participation in the International Civil Aviation Organization Assembly as a guest was a positive step while Beijing’s unilateral announcement of an East China Sea ADIZ overlapping in part Taiwan’s ADIZ has set back efforts to build trust.

Beijing works on political issues

In recent months, the term “one China framework” (一中框架) has featured more prominently in Beijing’s policy statements on cross-strait relations. In October, Politburo Standing Committee Member Yu Zhengsheng said at the Chinese Communist Party-Kuomintang (CCP-KMT) forum that the one China framework provides the basis for building the mutual trust needed to move political issues forward, and Taiwan Affairs Office (TAO) Minister Zhang Zhijun made a similar point at the inaugural Cross-strait Peace Forum. In his yearend statement, Zhang said that recently the two sides have been seeking a common understanding on supporting the “one China framework.” Beijing believes that replacing the differing interpretations of the 1992 consensus by a common understanding of the meaning of one China would create the political trust needed to address core political issues. That will prove to be difficult.

Although Honorary KMT Chairman Wu Poh-hsiung mentioned the “one China framework” (using the term 架構, which Taipei sees as looser) when he met Xi Jinping in June, Taipei otherwise has avoided the term, noting repeatedly its view that cross-strait relations continue to be based on the 1992 consensus. This difference also appeared in the exchange of telegrams on the occasion of the KMT’s Congress in November, with the CCP mentioning the “one China framework” and the KMT referring to the 1992 consensus.

The 18th CCP Congress called for the two sides “to jointly explore political relations.” In his opening address to the Peace Forum held in Shanghai in October, TAO Minister Zhang referred to this statement in explaining the function of the forum, and told the gathering that avoidance of political issues in cross-strait relations is unsustainable. Scholars from both sides, including some from the opposition Democratic Progressive Party (DPP), debated the possible meanings of “one China,” the potential for a peace agreement, and other sensitive issues. The existence (or denial of the existence) of the Republic of China (ROC) was reportedly a major sticking point. Yet, this is a key issue in defining the future of the cross-strait relationship. While President Ma

Ying-jeou has supported such Track II meetings, he continues to state that the conditions are not ripe for direct political talks.

The Oct. 6 meeting between General Secretary Xi Jinping and former Taiwan Vice President Vincent Siew at the APEC Economic Leaders Meeting in Bali proved to be an important event. As Siew has no KMT title and Mainland Affairs Council (MAC) Chairman Wang Yu-chi was included in Taiwan's delegation for the first time, observers in Taipei foresaw a "government-to-government atmosphere" surrounding this bilateral exchange. Xi conveyed two new messages. First, ratcheting up the pressure for political talks, he said that longstanding political disagreements couldn't be passed from generation to generation. President Ma has in the past said that the core political issues should be left to future generations. Xi again said that Beijing would discuss political issues with Taiwan "within the one China framework." The second Xi message was that "responsible persons from offices on the two sides could meet to exchange views" (雙方主管部門負責人也可以見面交換意見). This suggestion implied that Beijing was ready for some direct government-to-government interaction between officials.

Wang-Zhang meeting

In a headline-grabbing example of such interaction, MAC Chairman Wang Yu-chi and TAO Minister Zhang Zhijun met briefly after the Xi-Siew meeting, and greeted each other using their official titles. The encounter led to a flood of commentary in Taipei focusing on the use of official titles with several commentators referring to this as a breakthrough. The MAC said the use of titles was an example of both sides facing reality and not denying each other's existence. In his national day address a few days later, President Ma said it was noteworthy that "the two ministers greeted each other by their official titles." However, reporting in the official Chinese media did not mention the use of titles. *Xinhua* described Wang Yu-chi as the "responsible person of the office handling mainland affairs," continuing Beijing's practice of not mentioning the official titles of Taiwan government agencies or officials. On Oct. 16, the TAO explained its view that the meeting was "contact between the supervisors responsible for cross-strait relations from the two sides, it was nothing else." While Zhang had used his counterpart's title orally, Beijing was not ready to acknowledge this in writing and sought to downplay its importance.

After the meeting, Wang Yu-chi announced that in the future there would be more direct and regular communication between the MAC and TAO. The Taipei media was full of speculation about an exchange of MAC/TAO visits. On Oct. 16, Wang told the Legislative Yuan (LY) that a plan for him to visit China was under evaluation. Notably, he expressed confidence that his official title would be used when a visit did take place. On Dec. 17, Wang told the LY plans were being made for him to visit China after Chinese New Year. The DPP LY caucus said Wang should brief the LY before any visit, a request reflecting DPP concerns about expanding official contacts. Two days later, a MAC source told the media that Chairman Wang would only visit if his official title was used. On Dec. 22, Zhang Zhijun confirmed planning was underway for Wang's visit. Again, the official media report of Zhang's confirmation avoided using Wang's title. The following day, Zhang said there was no need to "obsess about titles"; what is important is that the two organizations work together.

Although the agenda for the meeting has not been finalized, Wang said that he would raise two political issues: international space and the visitation rights of the future Straits Exchange Foundation (SEF) office. President Ma told a meeting of the KMT Central Committee on Dec. 25 that Taiwan would not exclude a discussion of China's East China Sea Air Defense Identification Zone (ADIZ) at that meeting. While speculation about a future Ma-Xi meeting has increased as a result of these developments, the MAC has said that the issue of a Ma-Xi meeting is not on the agenda. Nevertheless, when the visit occurs, it will involve officials discussing political issues, which is one aspect of the visit that worries the DPP.

Xi Jinping's call for the officials responsible for cross-strait relations to meet directly and publicly represents a significant shift in Beijing's position, which has heretofore consistently been that all contacts between officials must take place under the Association for Across Taiwan Straits Relations-Straits Exchange Foundation (ARATS-SEF) umbrella, to avoid implying recognition. The different interpretations of the first Wang-Zhang meeting and on the planning for Wang's first visit reflect the political sensitivities involved. As always in China, titles and names are important. How these sensitive political issues are handled in Chairman Wang's planned visit will indicate how each side sees the political implications of such official contacts.

Cross-strait developments

Domestic politics in Taipei continue to delay approval of the Services Trade Agreement (STA). In early September, President Ma moved to expel Wang Jinping from the KMT, thereby ousting him from his position as LY speaker. The immediate impetus for Ma's move against Wang was evidence that Wang had tried to intervene in a prosecutor's decision concerning a case against DPP LY caucus leader Ker Chien-min. However, in response to public criticism, Ma explained his frustration with Wang's repeated failure to move the administration's priorities, including the STA, though the LY. Wang won a court stay of his expulsion from the KMT, preserving his role as speaker pending what may be an extended court case and a series of appeals. During this internal KMT feud, little has been accomplished in the legislature. LY consideration of the STA awaits completion of an agreed series of hearings. Half of the hearings were to be arranged by the DPP, and those hearings will not be concluded until March 11. Therefore, Speaker Wang announced in December that the STA will not be considered at this LY session. DPP legislators have called for renegotiation of certain provisions of the STA, and the Taiwan Solidarity Union (TSU) continues to oppose the agreement.

Despite its evident frustration with Taipei's inability to win LY approval for the STA, Beijing has moved ahead with negotiations on a number of other cross-strait agreements. Negotiations on the exchange of ARATS and SEF offices have continued. The question of whether the offices will have the right to visit detained citizens is one issue yet to be resolved. There have also been negotiations on the merchandise trade and disputes settlement agreements under Economic Cooperation Framework Agreement (ECFA). In December, ARATS Chairman Chen Deming made his inaugural visit to Taiwan. After talks with SEF counterpart Lin Join-sane, it was revealed that the long moribund negotiations on a double taxation agreement had mysteriously been revived. In mid-December, MAC Chairman Wang indicated that at the 10th SEF-ARATS meeting, expected to be held in early 2014, the tax agreement as well as agreements on meteorological cooperation and seismological monitoring would be signed. The exchange of

offices and merchandise trade were not mentioned as being on the agenda. All negotiations have been held behind closed doors with, as usual, little information available to the public or the LY. Implicitly acknowledging that inadequate public consultation had contributed to misinformation about the STA, Wang Yu-chi said the MAC would be consulting about the tax agreement before it is signed. Finally in December, the vice-ministerial level Cross-Strait Economic Cooperation Committee (CSECC) held its fifth regular meeting to review the implementation of the 19 cross-strait agreements and related issues.

Through the fall, Beijing has appeared eager to move the agreed agenda of cross-strait cooperation ahead despite delays created by domestic politics in Taipei. When asked about delays on the STA, the TAO has at times said that failure to approve the agreement would have consequences, but it has not held up other negotiations. To the contrary, Beijing has been working hard to make progress wherever possible.

Regional economic integration

President Ma and other senior officials stated many times that Taiwan wants to join both the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP), in part to maintain Taiwan's economic competitiveness. Ma expressed this hope to Robert Wang, the US State Department's senior official for APEC. Vincent Siew noted Taiwan's desire to participate in both partnerships in his October meeting with Xi Jinping, as he had in their previous meeting in April.

While leading a delegation of senior business executives to the United States in November, Siew urged Washington to support Taiwan's participation in TPP because while Taiwan's economic ties with China are beneficial, "without access to other trade agreements, Taiwan's external trade and economic relations remain highly dependent and imbalanced toward integration with mainland China, while facing diminishing ties with the rest of the world."

Taiwan's recently concluded free trade agreements with New Zealand and Singapore set it on course to align its trade regime with TPP requirements. Both are high-quality agreements containing provisions similar to those being sought in the ongoing TPP negotiations. In December, President Ma instructed the Executive Yuan (EY) to establish working groups on membership in TPP and RCEP, and a US Trade Representative spokesperson reportedly told the *Taipei Times* in an email that the United States "welcome[s] Taiwan's interest to join the TPP."

ICAO Assembly

A letter from the president of the International Civil Aviation Organization (ICAO) Council to the director general of Taiwan's Civil Aeronautics Administration (CAA), dated Sept. 11, invited CAA "experts or officials" to attend the Sept. 24-Oct. 4 ICAO Assembly as the Council president's "guests." The ICAO Assembly is only the second United Nations organization, after the World Health Assembly, in which Taiwan has been able to participate since 1971.

While the Taiwan delegation's participation in the Assembly was uneventful, there was intense discussion of the process and optics surrounding the invitation. The Chinese Foreign Ministry

and TAO stated that Beijing agreed to the invitation following cross-strait consultations and that it “illustrates the mainland’s concern for Taiwan compatriots.” Taipei’s announcement focused on the invitation being the result of international efforts with the result conveyed by the ICAO Council president on behalf of its membership. The US government praised the flexibility and support of Council President Kobeh and all members. Taiwan Foreign Minister David Lin acknowledged before the LY that the invitation was the result of a proposal from China to which all sides agreed. Kobeh told the Taipei press that it was China that first approached him. It appears that the invitation was the result of a variety of consultations, including cross-strait, leading to agreement on Kobeh’s sending his invitation.

DPP legislators and others worried about the one-off nature of the invitation and that a precedent had been set by designating Taiwan’s delegates as “guests.” Minister Lin said that this invitation was a positive first step, and that Taiwan will continue to work to attend ICAO meetings as an observer. Taipei would like to become an observer at the regular meetings of the Council and to participate in other ICAO meetings, but thus far the invitation to attend the Assembly has not opened the door to such participation.

Taiwan loses a diplomatic ally

On Nov. 14, the ROC Embassy in Gambia received a letter from President Yahya Jammeh announcing the termination of its diplomatic relations with Taiwan in order to benefit its “strategic national interest.” Taiwan immediately sent a delegation of officials who had worked with Jammeh to meet the president, but he did not agree to see them. On Nov. 18, Taiwan’s Foreign Ministry declared the relationship terminated.

The relationship seems to have ended due to Jammeh’s personal corruption. A People’s Republic of China (PRC) Foreign Ministry spokesman said on Nov. 18 that China learned about Jammeh’s decision through news reports and that there was no contact between China and Gambia about it. Taiwan’s ambassador to Gambia told the LY that in January and again in April 2013 Jammeh himself had asked for \$10 million cash, but would not provide details for its use. Citing policies for foreign aid, Foreign Minister David Lin said that Taiwan had not agreed to the request.

Some in Taipei have speculated about Gambia’s move precipitating a domino effect among Taipei’s 22 remaining diplomatic allies. To date, China and Gambia have not established relations, and the Chinese Foreign Ministry has stated that Beijing will place priority on good cross-strait relations. This is an indication that Beijing will not seize the opportunity to establish relations with Gambia. As such, it is the clearest indication to date of Beijing’s tacit adherence to President Ma’s diplomatic truce. If Beijing’s forbearance is sustained, the incident will have contributed to a degree of mutual trust. Thus far the losers are President Jammeh and Gambia.

Cross-strait implications of Beijing’s ADIZ announcement

Beijing’s Nov. 23 announcement of its East China Sea Air Defense Identification Zone (ADIZ) caught Taipei by surprise. Ma administration officials said they had no advance notice, let alone consultation, about the zone even though it overlaps with a large part of the Taipei ADIZ north of Taiwan. That day, President Ma called a meeting of his National Security Council and

subsequently Taipei expressed its “high concern” and reaffirmed the ROC’s sovereignty over Diaoyutai. The ROC Civil Aviation Administration instructed airlines to file the requested flight information with PRC authorities.

The impact of the new ADIZ rippled through the government in Taipei over the next two weeks. On Nov. 24, the opposition DPP criticized the administration for its mild response and said the ADIZ was a provocative act designed to achieve China’s regional hegemony – or as an editorial in the *Taipei Times* put it – an example of Beijing’s “gangster mentality.” On Nov. 27, the DPP again criticized the government’s response and called for Taiwan to cooperate with Japan, the US, and the ROK in a coordinated response. In Beijing, the TAO gave assurances that cross-strait flights would not be affected by the new ADIZ. On Nov. 29, the EY issued a formal statement expressing “serious concern,” and the LY passed a rare bipartisan resolution calling for a “stern protest.” On Nov. 30, the MAC formally conveyed Taipei’s views to the TAO. In response, the TAO replied that the ADIZ was not aimed at Taipei. On Dec. 5, President Ma stated publicly that the ADIZ “was not helpful to the development of cross-strait relations.”

It appears that cross-strait implications received no consideration in Beijing’s announcement. Beijing gave Taipei no advance notice. Beijing chose not to design the ADIZ boundaries to avoid overlap with Taipei’s ADIZ, and it chose not to exempt Taiwan’s cross-strait flights from the reporting requirements. Taiwan was treated the same as Japan and other foreign countries, despite Beijing’s principled assertions that it is part of China. From the perspective of Chinese realists, the Diaoyu issue is a struggle between major powers China and Japan in which Taiwan is only a bit player deserving little consideration. More to the point of China’s reunification goal, Beijing’s announcement has undermined the mutual trust that the TAO has repeatedly stated recently is required for progress on the peaceful development of cross-strait relations.

DPP’s search for a revised “China” policy

The DPP has held up the LY consideration of the STA by delaying its share of the hearings on the agreement and taken every opportunity to criticize the administration’s handling of cross-strait issues. At the same time, party members have made trips to China and participated in the first Cross-strait Peace Forum to convey the party’s openness to increased contacts. The DPP’s Chain Affairs Committee (CAC) has also continued holding meetings aimed at updating its policy toward the mainland. A late September meeting chaired by Frank Hsieh reportedly reached agreement to expand participation in cross-strait exchanges and to seek a “constitutional consensus” within Taiwan as a basis for dialogue with Beijing.

Press reports in advance of a CAC meeting in November suggested that the committee would consider a final draft committee report that would address controversial aspects, including the independence clause in the party charter and the proposed constitutional consensus. However, the meeting, chaired by Su Tseng-chang, did not reach consensus. The official report on the meeting avoided such issues and said that the policy would not be finalized until a meeting scheduled for Jan. 9. After the meeting, the committee spokesperson said the DPP’s core values, including safeguarding Taiwan’s sovereignty, would remain unchanged. He also reported agreement that “constitutionalism” would be the basis of engagement with China. Party policy director Joseph Wu said that reports the party would abandon the goal of *de jure*

independence were inaccurate. Speaking at a meeting with the Taiwanese community in Washington a few days later, Wu laid out his “dream” that Taiwan would be treated as an equal sovereign state by the international community and eventually participate in the UN as other countries do.

Asked about the DPP’s November meeting, the TAO spokesman said that the DPP continued to adhere to its Taiwan independence ideology and the view that there is one country on each side of the strait. The TAO said that proposing to use “fuzzy concepts as the political basis for exchanges with the mainland is unacceptable.”

When the CAC met in December, LY Caucus leader Ker Chien-ming surprised participants by proposing the party’s “independence plank be frozen.” This proposal was not endorsed by the CAC. However, the TAO chose to tell the press that Ker’s proposal was a positive sign which if implemented would be an important step. At a time when it is urging Taipei to agree to a shared “one China framework” for future relations, Beijing is signaling that it wants a clear statement on one China from the DPP.

Deserts Chang’s concert

In November, popular Taipei indie singer-songwriter Deserts Chang appeared at a concert in the Manchester, England. When a fan in the audience handed Chang an ROC flag, she chose to hold it up and explain to the audience what it was. Video of the event went viral on social media prompting strong and divergent reactions. Her Taiwan fans approved of her Taiwan pride while some mainland fans criticized her for politicizing the concert. In an interview several weeks after the concert, Chang explained that she would continue to address social issues including the issue of Taiwanese identity. The MAC and TAO urged young people to show greater mutual understanding. However, the reactions on the mainland were so strong that her local sponsors recommended cancelling a Beijing concert planned for December, which Chang did. Some Chinese predicted that a concert at that time might provoke violence. This unfortunate incident illustrates that while many place hope on the future generation even the pragmatic young have differing perceptions and strong emotions on identity issues.

Looking ahead

The prospect of MAC Chairman Wang’s visit to the mainland, possibly in February, is potentially the most important event on the horizon in cross-strait relations. How it is handled will provide indications of the implications of such direct acknowledged official contacts. Winning LY approval of the STA at the next regular LY session remains a major challenge. Among the agreements being negotiated, the merchandise trade agreement is very important as Taiwan’s main competitor, South Korea, is negotiating an FTA with China. However, it is not yet on the agenda for the 10th SEF-ARATS meeting expected to be held in the first half of 2014. Finally, if the TPP negotiations are successful concluded in early 2014, Taipei will likely press to start its accession process.

Chronology of China-Taiwan Relations September – December 2013

Sept. 4, 2013: Taipei Trade Center opens in Guangzhou.

Sept. 5, 2013: President Ma Ying-jeou reiterates that Taipei seeks to attend International Civil Aviation Organization (ICAO) as an observer.

Sept. 9, 2013: Asia-Pacific Cities Summit opens in Kaohsiung with several mayors from Chinese cities attending.

Sept. 10, 2013: Vice Minister of Foreign Affairs Vanessa Shih says observer status is not the only Taiwan goal at ICAO.

Sept. 11, 2013: Kuomintang (KMT) Discipline Committee revokes Speaker Wang Jin-pyng's party membership, accusing him of influence peddling.

Sept. 12, 2013: Straits Exchange Foundation (SEF) Chairman Lin Join-sane meets Chinese Communist Party (CCP) Politburo Standing Committee Member Yu Zhengsheng.

Sept. 13, 2013: ICAO Council invites Chinese Taipei to participate in Assembly as a guest.

Sept. 13, 2013: Taipei court grants LY Speaker Wang a temporary injunction on KMT's revocation of party membership.

Sept. 17, 2013: Association for Relations Across the Taiwan Straits (ARATS) Chairman Chen Deming says ARATS/SEF offices will not be diplomatic or governmental.

Sept. 24, 2013: Republic of China (ROC) Civil Aviation Agency Director General Jean Shen participates in ICAO Assembly as guest.

Sept. 25, 2013: Taiwan takes delivery of first of 12 *P-3C* maritime surveillance aircraft.

Sept. 26, 2013: Democratic Progressive Party (DPP) Huashan Meeting agrees to seek domestic "constitutional consensus."

Oct. 1, 2013: US-Taiwan Defense Industry Conference is held in Annapolis, Maryland.

Oct. 2, 2013: ROC Central Bank Chairman Perng Fai-nan says Taiwan has added Chinese yuan to its foreign currency reserves.

Oct. 6, 2013: Xi Jinping meets Vincent Siew at APEC Economic Leaders Meeting in Bali.

Oct. 6, 2013: MAC Chairman Wang Yu-chi and TAO Minister Zhang Zhijun meet in Bali.

Oct. 8, 2013: Taipei releases its National Defense Report.

Oct. 11, 2013: First Cross-strait Peace Forum opens in Shanghai.

Oct. 16, 2013: MAC Chairman Wang says exchange of MAC-TAO visits needs study.

Oct. 18, 2013: ARATS Chairman Chen urges early passage of Service Trade Agreement (STA).

Oct. 26, 2013: Ninth KMT-CCP Forum is held in Nanning.

Oct. 29, 2013: ROC Legislative Yuan (LY) approves New Zealand-Taiwan Economic Cooperation Agreement.

Nov. 4, 2013: Vincent Siew leads 300 executives to Entrepreneurs Summit in Nanning.

Nov. 7, 2013: Singapore and Taiwan sign Agreement on Economic Partnership (ASTEP).

Nov. 10, 2013: KMT 19th Party Congress occasions an exchange of messages between the CCP and the KMT.

Nov. 12, 2013: CCP Third Plenum concludes; new State Security Committee is announced.

Nov. 14, 2013: DPP's China Affairs Committee meeting is held.

Nov. 14, 2013: The Gambia announces severance of diplomatic ties with Taipei.

Nov. 14, 2013: Deserts Chang's planned Beijing concert is cancelled.

Nov. 15, 2013: CCP Conference on Theory and Thought on Peaceful Development of Cross-strait Relations held in Beijing.

Nov. 18, 2013: President Ma terminates relations and projects with Gambia.

Nov. 18, 2013: PRC Ministry of Foreign Affairs indicates priority will be on cross-strait relations not relations with Gambia.

Nov. 22, 2013: President Ma reiterates the time is not ripe for cross-strait political talks.

Nov. 23, 2013: China's Ministry of National Defense announces the establishment of its East China Sea Air Defense Identification Zone (ADIZ).

Nov. 24, 2013: PRC Minister of Science and Technology Wan Gang arrives in Taiwan for a conference.

Nov. 25, 2013: DPP statement denounces China ADIZ announcement.

Nov. 25, 2013: ROC Finance Minister Chang Sheng-ford says consensus reached on tax agreement.

Nov. 26, 2013: ARATS Chairman Chen Deming arrives for a visit to Taiwan.

Nov. 27, 2013: SEF President Lin Join-sane says six agreements are being prepared for 10th SEF-ARATS meeting.

Nov. 27, 2013: Taiwan Fisheries Agency director calls for cross-strait fisheries agreement.

Nov. 28, 2013: People's Liberation Army Aircraft Carrier *Liaoning* transits Taiwan Strait.

Nov. 29, 2013: ROC Executive Yuan expresses "serious concern" over ADIZ.

Dec. 1, 2013: ARATS Chairman Chen says goods and disputes agreements being negotiated despite STA delay.

Dec. 2, 2013: MAC conveys ADIZ protest to TAO.

Dec. 5, 2013: President Ma says ADIZ announcement not helpful to cross-strait relations.

Dec. 12, 2013: President Ma calls for the creation of task forces on Trans-Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP) participation.

Dec. 13, 2013: SEF President Lin visits Hong Kong for a conference.

Dec. 20, 2013: Speaker Wang announces STA will not be approved at current LY session.

Dec. 22, 2013: TAO Minister Zhang confirms planning for MAC Chairman Wang's visit.

Dec. 26, 2013: DPP holds final discussion meeting of China Affairs Committee.

Dec. 27, 2013: LY approves Taipei-Singapore ASTEP.

Dec. 29, 2013: DPP Chairman Su Tseng-chang says STA renegotiation is a goal for 2014.