Taiwan and the 'China Impact'
Challenges and opportunities

Edited by Gunter Schubert
Contents

List of figures
List of tables
Notes on contributors
Foreword
MICHAEL H.H. HSIAO

1 Introduction
GUNTER SCHUBERT

PART I
The China impact on Taiwan’s domestic politics

2 The PRC as a player in Taiwan’s domestic politics: a two-level game analysis
JIH-WEN LIN

3 Cross-Strait relations as an ‘easy’ issue: China’s impact on evidence provision in negative political campaigning in Taiwan
HSUAN-YUN TEOH CHEN AND CHUNG-LI WU

4 The China impact on Taiwan’s elections: cross-Strait economic integration through the lens of election advertising
DAFYDD J. FELL

5 The China impact on Taiwan’s generational politics
SHELLEY RIGGER
Contents

6 Facing the dragon and riding the tiger: assessing the mainland Taishang as an ‘impact factor’ in cross-Straits relations
GUNTER SCHUBERT
91

7 Signaling peace: a theory of the ECFA and a peace dividend beyond the Taiwan Strait
HANS H. TUNG AND YUN-HAN CHI
110

8 Political competition framed by the China factor? Looking beyond the 2012 presidential election
NAI-TEH WU
130

PART II
The China impact on Taiwanese society
149

9 The social basis of Taiwan’s cross-Straits policies, 2008–2014
CHIH-JOU JAY CHEN
151

10 Cross-Straits trade and class cleavages in Taiwan
THUNG-HONG LIN
174

11 Escalator or merry-go-round? Taiwanese skilled migration to China
YEN-FEN TSENG
196

12 Taiwan’s immigration policy and the China impact: the case of cross-Straits families
JIAN-BANG DENG
215

13 Taiwanese youth in mainland China: fragile identity in the shadow of China
PING LIN
239

PART III
The China impact on Taiwan’s security
259

14 The rise of China and its implications for US-Taiwan relations
261

15 Cross-Straits integration and Taiwan’s new security challenges
JEAN-PIERRE CABESTAN
282

16 Conclusions: assessing the China impact
GUNTER SCHUBERT
301

Index
305
15 Cross-Strait integration and Taiwan’s new security challenges

Jean-Pierre Cabestan

Many analysts argue that cross-Strait integration has directly contributed towards stabilizing the relationship between China and Taiwan (Kastner 211:9). This stabilizing factor was already perceptible under the Chen Shui-Bian presidency (2000–2008) and even at the end of the Lee Teng-Hui era, but has become more visible and obvious since Ma Ying-Jeou’s election. Indeed, since 2008, on the surface, Taiwan’s security has dramatically improved: not only has a genuine détente emerged, but also what Ma himself described as a ‘rapprochement’ has taken place across the Taiwan Strait. However, on the ground, Taiwan’s military and non-military security challenges have intensified.

On the one hand, the capability of Taiwan (Republic of China, ROC) to defend itself and protect the island from outside aggression has deteriorated; in addition, since no military-confidence-building measures (CBMs) have been initiated with mainland China (People’s Republic of China, PRC) military incidents cannot be excluded or managed properly. More importantly, however, the growing capability of the People’s Liberation Army (PLA) to project power and exert pressure on the island as well as the Ma administration’s lack of investment in defence have made Taiwan more and more dependent on the de facto US security guarantee—the Taiwan Relations Act (TRA). At a time when the United States’ relative decline has become more perceptible, Beijing has been intensifying its pressure on Washington to stop providing weapons to the island, and a debate is looming in the US on its own long-term capability and interest in the context of guaranteeing Taiwan’s security.

On the other hand, Taiwan’s accelerated economic and social integration with mainland China has deepened the former’s dependence upon the latter, enhanced China’s political influence and eased its united front work on the island, not only with the business community but also with the political and cultural elites as well as society as a whole.

To be sure, many of Taiwan’s security challenges are not really new. Some have their origins in the end of the Chinese civil war in 1949 and the asymmetry between the territory, the population and the (potential) resources that both Chinese governments have respectively controlled since then. Others stem from the PRC’s economic and military rise after Deng Xiaoping decided to reform and open up his country in 1979 and to speed up this process in 1992. Still others are directly related to Chiang Ching-Kuo’s and his successors’ acceptance of indirect and direct trade, people-to-people and non-official relations with mainland China. And the Taiwanese people’s deep political divisions over the island’s identity and status as well as the nature and the future of its relations with the PRC have also, especially since the beginning of the democratization process in 1986–1987, constituted a well-rooted security challenge.

Nevertheless, Ma’s election and the Kuomintang (KMT)’s return to power in 2008 initiated an unprecedented mainland policy that has contributed towards increasing these challenges and creating new ones that are far from being all of a military nature. The growing interactions across the Strait have already multiplied the number of constituencies on the island that have a vested interest in maintaining a close and stable relationship with the mainland, creating tensions within Taiwanese society (see below); they also have the potential to modify the Taiwanese people’s perception of the mainland, loosen Taiwan’s security relationship with the US and eventually their perception of the PRC, their identity and their attachment to the status quo in the Strait—or what I would call the island’s de facto independence—precisely at a time when the impression of a US strategic decline is gaining momentum.

In this chapter, I do not aim to address all these issues in detail but rather to provide some very tentative and provisional answers. My conclusion is that, while Taiwan, with US support, will be able to remain a distinct democratic political entity under the ROC constitutional framework, the island’s room for manoeuvre and, possibly, its political autonomy will continue to shrink.

Taiwan’s military challenges

The military challenges facing Taiwan are well-known and, since 2008, in spite of the new détente across the Strait, have continued to grow. The PLA threat has intensified unabated; Taiwan’s defence effort has been stagnating in spite of the January 2010 and September 2011 US weapon package announcements as well as a few new initiatives, such as the phasing out of the drafting system. Taiwan’s will to fight seems to depend increasingly upon US commitment to the island’s security, and Taiwan’s military is becoming more and more vulnerable to China’s espionage. Nevertheless, Taiwan has the capability, with US support and assistance, to maintain a credible defence system served by an asymmetrical military strategy.

The PLA’s growing threat

Most experts agree that the military balance in the Taiwan Strait tilted in favour of China in around 2005. The PLA’s capability to project forces across the Taiwan Strait has since then continued to expand. While, according to US military sources, the number of conventional missiles pointed at Taiwan reached a ceiling in 2010 (over 1,000), their sophistication and accuracy have continued to improve (Office of the Secretary of Defense 2014: 6, 36). In any event,
ballistic missiles as opposed to cruise missile and other more modern weapon systems are just one small feature of the military balance. The ability of the PLA Navy and Air Force to take control of the Taiwan Strait and impose a blockade on the island, even if not to successfully launch a landing operation, has become much more credible, forcing the US to review its own counter-strategy (Shlapak 2009). The PLA has also beefed up its coastal air defence, especially in Fujian, and can now directly threaten Taiwanese fighters entering airspace over the northern Taiwan Strait. Moreover, China’s capability to eavesdrop on Taiwan’s military and intercept the island’s electronic signals has been upgraded, enhancing the PLA’s edge in digital warfare.

It is clear that in the same period of time, PLA missions have diversified: for example, to mention just a few, maintaining a stronger presence in the South and the East China Seas, anti-piracy operations in the Gulf of Aden and military operations other than wars (such as disaster relief operations), which have served to divert the Chinese military from the Taiwan theatre, at least to some extent. However, the PLA has also continued to include Taiwan among its priority military targets as well as the probability of US military involvement in any war over the island. While building aircraft carriers, J-20 stealth fighters and anti-ship ballistic missiles DF-21D (1,500 km) – three of the most advanced and symbolic PLA modernization projects – is part of a wider and more ambitious empowerment plan, it also underscores China’s willingness to impose a new and more advantageous military balance on both Taiwan and US forward deployment forces (Cordesman and Yarosh 2012).

Taiwan’s defence policy adjustment and weaknesses

As a consequence, since the middle of the 2000s, Taiwan has been compelled to put together an asymmetric military strategy that is aimed at deterring any unprovoked PLA attack. To be credible, Taiwan’s military must ensure that the cost of such an attack remains prohibitive for the PLA and China, or at least much higher than the expected benefits of this operation, and, as a result, forces Beijing to think twice before contemplating any ‘non-peaceful’ option for ‘solving the Taiwan issue’.

Enshrined in the TRA, the US commitment to Taiwan security has remained very strong, although deliberately vague; the daily cooperation between the Pentagon and the Taiwanese armed forces is, today, much closer and better than before the 1996 missile crisis. Ma’s 2008 electoral promises to build a ‘hard ROC’, to increase the defence budget to three per cent of GDP and to move towards an all-volunteer military were well received in Washington. This came after nearly a decade of cuts in military expenditures – by around 40 per cent between 1999 and 2008 – and political bickering in the Legislative Yuan (Taiwan’s parliament) about the relevance and financing of the unprecedented arms package granted by George W. Bush in 2001 (including for the first time diesel submarines, which the US has, however, been unable to manufacture). However, during his first term, Ma did not keep his promises, and he has not done so in his second term so far.

This does not mean that he has not taken defence seriously. Although he initially adopted a purely defensive strategy inspired by the US expert, William Murray (Murray 2008), under the pressure of the military, he has maintained and modernized the Taiwanese armed forces’ offensive capability. And since 2008, the US and especially the Obama Administration have committed more arms sales to Taiwan than the Bush government in the seven previous years (US$18.3 billion and US$12.25 billion respectively).

It is true that as formulated in March 2009, in the Taiwan Defence Ministry’s first Quadrennial Defence Review (QDR), Ma’s defence strategy restored the pre-2000 order of priorities: ‘resolute defence and effective deterrence’ (jiangwei gushou, youxiao hezou), as opposed to the ‘effective deterrence and resolute defence’ and ‘active defence’ strategies put forward under Chen Shui-Bian.

Nonetheless, for many reasons, including resistance among the Taiwanese military, both the QDR and the National Defence Report (NDR) published in October 2009 made recommendations stating that Taiwan should maintain an offensive capability and continue to develop conventional weapons, such as Hsiung-feng-2E cruise missiles (650–800 km), that were capable of striking and neutralizing targets on the other side of the Strait. In other words, Chen’s ‘active defence’ has not been completely shelved; only the ambitious and unrealistic objectives of moving the ‘decisive battle outside the territory’ (jingzhan juezhan) and developing offensive weapons such as long-range missiles (over 1,000 km) targeting non-military objectives have clearly been abandoned (Chen 2009: 8–12). In addition, the Ma government has continued to invest heavily in the Navy and the Air Force. Since 2009, it has developed high-tech fast-attack missile corvettes, dubbed ‘carrier killers’, which are also equipped with powerful supersonic anti-ship Hsiung-feng III cruise missiles and are more capable of posing a threat to the PLA surface ships in the Strait. And in 2011, the Obama administration accepted to retrofit Taiwan’s current 145 F-16 A/N for a price-tag of US$5.8 billion.

Nevertheless, in spite of Ma’s promises, Taiwan’s defence budget has not just stagnated but has decreased in real terms. Amounting US$10.5 billion in 2008, the budget fell to US$9.6 billion in 2009 and US$9.3 billion in 2010 before slightly increasing again to US$10.2 billion in 2011 and to US$10.6 billion in 2012. In 2013 and 2014, the defence budget amounted to US$10.5 billion and US$10.4 billion respectively, confirming the lack of additional investment in defence. But more importantly, between 2008 and 2014, Taiwan’s defence budget share decreased from 2.5 per cent to 2.0 per cent of GDP and from 20.2 per cent to 16.2 per cent of total government expenditures (Kan 2014: 33–34). Although the financial crisis was used to justify the 2009 drop, the subsequent reductions have been the result of higher social welfare expenditures (22 per cent of the state budget in 2014) as well as a mixture of savings and misallocations of funds for weapons systems that could not be delivered as anticipated.

Similarly, the transition to an all-volunteer force by 2015 has revealed itself to be much more expensive and slower than originally planned – it was postponed until 2017: the 2011 personnel budget has been able to support less than
half (5,000) of the additional volunteer personnel that need to be recruited according to the already revised target (11,000 instead of 15,000). And owing to the projected budget increase, in 2014, only 20 per cent of the recruitment objective will be met (9,000) (Mei 2011: 7–10).

Another growing danger for Taiwan’s security is the PRC intensification of espionage activities on the island, qualified by the Premier, Wu Den-Yih, as a ‘war without gunfire’ in November 2010. The deepening interconnections between the two societies – the increasing number of retired Taiwanese officers that travel to and settle down on the mainland and the unprecedented surge in Chinese tourists – have made counter-espionage work more arduous. Rather than retired officers who may hold information that rapidly becomes outdated, active military officers are certainly privileged to be the targets of Chinese espionage. And Taiwan’s political divisions and faltering ideological loyalties in the context of a rising China have contributed towards making easy prey of a larger number of Taiwanese professional military personnel. Although some additional restrictive measures (targeting, in particular, retired military personnel) have recently been adopted by the Ma Administration, the game seems to be becoming increasingly asymmetrical, and also perhaps hopeless, compelling the US military to think twice before transferring its most sophisticated and advanced weaponry to Taiwan.

Finally, and not without relation to the previous problem, there have been increasing doubts about the Taiwanese people’s will to fight and invest in the island’s military defence. The so-called ‘peace dividend’ that Ma and the KMT are expecting from the overall decrease in military tension with China has helped to convince many Taiwanese that less investment is required for defence (Huang 2010: 5). Moreover, the KMT’s strong tendency, since 2008, to regard the mainland Chinese as ‘brothers’ (xiōngdì) rather than ‘enemies’ (dírén) has fuelled these doubts, especially in the US. Obviously, the PRC is both an economic partner and a military threat – which I have qualified elsewhere as ‘Taiwan’s strategic paradox’ – and the growing influence of the PRC over Taiwan has been making many ROC citizens increasingly schizophrenic (see below). For instance, while on a scale from 1 to 10, war with China remains for most Taiwanese quite unlikely (3.2), 54 per cent of them have a negative impression of the PRC government, which they describe as ‘authoritarian’ and ‘corrupt’. Moreover, in a poll conducted in March 2014, 50.8 per cent of the Taiwanese stated that they still think that Beijing is hostile (the MAC now uses ‘unfriendly’) to the ROC government (against 53.1 per cent in August 2008 and 39.5 per cent in December 2009) and 42.8 per cent of them think that it is hostile (‘unfriendly’) to the ‘people of Taiwan’ (against 45.1 per cent and 41.1 per cent respectively).

Arguably, a professional military force would be better trained to use the sophisticated armaments that are in its possession and more ready to fight in case of war. But the bond with the nation is vital. For this reason, while accelerating the transition towards an all-volunteer force that is intended be completed by 2015, Taiwan’s defence ministry has decided to retain a four-month basic training requirement for all male citizens when they reach 18 years of age. However, can an economy that is more interdependent on mainland China and a society that is culturally closer to mainland China than, say, France is to Germany, generate the material and moral support that would be necessary for its soldiers to defend Taiwan’s sovereignty and de facto independence? At this stage, it is impossible to fully answer these questions. Studies have shown that US support and involvement would be a decisive factor, which is not surprising. In any event, since 2008, there has been a troubling lack of communication with the US (which has remained deliberately ambiguous about its potential involvement in any armed conflict in the Strait), as well as unrealistic assessments of the Taiwanese military’s capabilities.

An underdeveloped security dialogue

As the current armed détente demonstrates, security constitutes a particularly important set of issues that have not yet been genuinely addressed by Beijing and Taipei. Although as early as 2004, China had shown the intention of including confidence-building measures (CBMs) in cross-Strait talks, an intention that was reiterated by Hu Jintao at the Eighteenth Chinese Communist Party (CCP) Congress in November 2012, military CBM negotiations have not been able to get off the ground, partly because they are still perceived, on both sides of the Strait, as closely connected to more sensitive political discussions, and partly because of other difficulties and limitations mentioned below (Glaser 2010). And after Xi Jinping succeeded Hu in late 2012, there is little chance for these obstacles to be overcome. China’s more assertive foreign policy and the prospect of a DPP return to power in 2016 have on the contrary added more hurdles to any prospect of such a negotiation.

Since (and even before) 2008, some informal and, more importantly, secret talks have taken place. Simultaneously, non-official contacts and discussions involving academics and experts on political and security issues have also rapidly increased since then. Channels of communication already exist, for instance, between the coast guard forces of both sides, to avoid and manage incidents in the Strait. In 2010, the Taiwanese Coast Guards and the PRC Maritime Safety Administration held their first joint search and rescue operation. On 30 August 2012, they organized a second, much bigger, coordinated exercise, involving 2 helicopters, 14 vessels, 300 personnel and even one deputy-minister from each side of the Strait, and decided to carry out such operations every two years. Moreover, when necessary, and in times of crisis in particular, both sides have been able to hold high-level secret talks (Tucker 2009). In other words, communication and incident management are less of a problem than many observers have suspected.

Nevertheless, the many obstacles to the opening of CBMs negotiations mentioned in earlier publications still hold (Cabinet 2010: 27–29). First, through CBMs, Taiwan would attempt to alleviate the current level of PLA threat while China does not wish to discuss this issue, arguing that its military buildup is targeting not Taiwan but the US and Japan (Glaser 2011). Second, for Ma
Ying-Jeou, the withdrawal of the missiles was, at least until October 2011, when he launched the idea of concluding a peace agreement with the mainland, a precondition to any ‘political talks’, including CBMs. Although in his October 2011 announcement, Ma was vaguer about the ‘reassurances’ that China should give to Taiwan – ‘safeguard Taiwan’s security and prosperity’ – it remains to be seen whether he will be able to move forward on military CBMs, let alone peace talks, before the mainland makes any move or gesture. However, so far, for Beijing, adjustments to military deployment can only be one subject of the talks, must be reciprocal and based on improved trust, and must be balanced against meaningful concessions, such as the formal renunciation of de jure independence by Taiwan.

Third, Beijing and Taipei are following different objectives: by linking CBM talks to the adoption of a peace treaty or an end-of-hostility agreement, Taipei hopes that CBMs will consolidate the status quo; for its part, Beijing expects that it will serve unification, however indirectly, for instance ‘in promoting bonds of common identity between the two militaries’ (Glaser 2011: 21). But this linkage remains unacceptable not only to the pan-green camp but probably also to the majority of Taiwanese public opinion. As a consequence, Ma rapidly dropped his peace treaty idea and has avoided raising it again since he was re-elected in January 2012. In any event, opinion polls continue to show how much the Taiwanese wish the decision to remain open-ended, regarding the future of their island: in the March 2014 poll, 61 per cent of them stated that they would support (against 57 per cent in August 2008) either the status quo in the Strait indefinitely (28.8 per cent against 22.4 per cent in August 2008) or the option ‘status quo now and decision later’ (32.2 per cent against 34.4 per cent), while another 17.6 per cent (against 17.5 per cent) favoured the status quo heading towards independence. The percentage of Taiwanese in favour of the ‘status quo now, unification later’ (10 per cent against 8.3 per cent) has remained stable, while the minority wishing for ‘independence as soon as possible’ has become even more marginal (4.7 per cent against 8.6 per cent).

For all these reasons, those who are sceptical about the usefulness of military CBMs have remained influential (e. g. in the US, Steven Goldstein 2011: 42–43) and military CBM negotiations are unlikely to start any time soon. Only back-track discussions among military experts from the two sides are likely to continue and will perhaps become more meaningful in the next few years.

The limited impact of military CBMs

Even if military CBMs would be most welcome because of their contributions towards enhancing stability and predictability, they would not be able to fully address the issue of Taiwan’s growing insecurity. At a time that would suit its interests, for instance, in order to facilitate the election of a KMT candidate in 2016, the PRC may contemplate the partial relocation or even the dismantling of the (oldest) missiles that are targeted against the island. This unilateral CBM would nevertheless constitute more of a political and symbolic gesture than a strategic decision, given that the conventional missiles aimed at Taiwan form only a small portion, and arguably a decreasing part, of the PLA forces that could be projected against the island today and in the coming years (Shichor 2008, Shlapak 2009). Thus, even if the partial demilitarization of the Taiwan Strait is possible, the military balance will continue to be less and less favourable to Taiwan, forcing the island to invest more in its defence, rely more on the US, and consequently take into greater consideration the perceived long-term interests of the US in the region.

Taiwan’s strategic partnership with the USA

As has been seen, there is a strong security and military dimension to Taiwan’s non-official relationship with the US. However, there is also an important political facet to it. Nevertheless, it seems that the military-to-military relations between the ROC armed forces and the Pentagon are closer and more trusting, in other words in better shape, than the political relations between the Taipei civilian authorities (Presidential Office, NSC, MOFA) and Washington (both the State Department and the NSC). To be sure, no junior partner in any security arrangement shows all its cards to its senior partner – and vice versa, of course. Taiwan never did – when ruled by the Chiang family or later under Lee Teng-Hui or Chen Shui-Bian – and probably never will, but since Taiwan’s national security and survival are becoming increasingly dependent upon the US, it is in the island’s interests to enhance communication and understanding with its only protector. At the end of his first term, President Ma seemed to have realized this and adjusted his communication methods with the Obama administration. In his second term, however, it is far from certain that he has been able to fully reassure the US.

The cross-Strait ‘rapprochement’ and the US debate on Taiwan’s future

As far as the US is concerned, this so-called ‘rapprochement’ is obviously feeding doubts among some segments of the US political elite about Taiwan’s long-term intentions. It is understandable that, as a small and ill-recognized nation-state situated on the doorstep of the PRC, Taiwan does not enjoy the same freedom as the US to confront China, when need be. In other words, China’s influence over Taiwan is becoming more and more unavoidable. The question is whether the accommodations made by Taipei since May 2008 on several commercial (e. g. direct air links, opening Taiwan to PRC investments), political (e. g. restraint on criticism of China’s human rights record and its policies in Tibet and Xinjiang), and security (downgrading of military manoeuvres and field training exercises, Qumoy’s demilitarization) issues will place the island in a situation of dependency, jeopardizing its security and de facto sovereignty, and, as a result, shaking the foundations of the US–Taiwan security relationship and, particularly, the TRA. So far, the accommodations accepted by the Ma
administration have not, per se, put the island in danger (see below). But they have contributed towards narrowing Taiwan’s options and capacity to say ‘no’, modifying its outside perception and fueling the debate, in the US and elsewhere, about the risk to Taiwan of ‘Hongkongization’.

The debate that has been initiated in some US circles since 2009 on the ‘unsustainability’ of the US–Taiwan security arrangement may be perceived as marginal (Gilley 2010, C. Glaser 2011, Swaine 2011a and 2011b, Tucker and Glaser 2011, Mearsheimer 2014). Nevertheless, it underscores the growing US doubts about Taiwan’s lack of commitment to its security as well as the island’s willingness to adopt a strategy of asymmetrical warfare on the one hand, and the military capability of the US to provide enough protection for Taiwan on the other. The question is not so much the US military’s capacity to sustain a war and prevent Taiwan from being subjected to military constraints. It is more about the growing potential cost of deploying such a capacity in view of China’s unabated assertiveness and her unification plan for Taiwan, the PLA’s rapid modernization drive and the risks attached to any armed conflict involving two nuclear powers. As China is growing more powerful and assertive, the discrepancy between what Taiwan represents for Beijing and for Washington is widening: Taiwan is a vital and ‘core’ interest for the former, but not for the latter. For instance, although the Obama administration has not compromised, it tends to factor in more of China’s ‘sensitivities’ than the previous administrations, especially regarding arms sales that Beijing, ironically, does not blame Ma for buying (Dreyer 2011). And there is little chance of any reversal of this trend.

The US’s Asia-Pacific ‘pivot’ or ‘rebalancing’ and Taiwan

In launching the idea, in November 2011, that the Asia-Pacific region has become the ‘pivot’ of US strategy, the Obama Administration was in some sense addressing the concerns expressed by a number of American experts regarding the exaggerated prudence that was being exercised towards China. Highlighting the growing importance of this region for America’s security interests, the pivot theory was replaced in June 2012 by a ‘rebalancing’ project, presented by the Defence Secretary, Leon Panetta, at the Shangri La strategic dialogue in Singapore, and according to which 60 per cent of US military forces, especially Navy ships, will be gradually deployed in Asia, against 40 per cent in Europe and elsewhere. The dispatch of 2,500 marines to Darwin, Australia, announced in late 2011, has also been described as an indication of the willingness of the US to highlight and confirm its ‘return’ to Asia. What are the consequences of this policy for Taiwan?

Since 2009, all the US allies (especially Japan, Korea and the Philippines) and most of China’s neighbours in Asia have intensified their pressure on the US to strengthen its military and strategic presence in Asia, and it is striking that Taiwan, under the Ma Administration, has appeared as the only exception, the only government not to do so, busy as it was apparently to effect a reconciliation with the Beijing authorities. Simultaneously, Ma Ying-Jeou has very mildly criticized Xi Jinping’s fait accompli policy in China’s claimed maritime domain, its repeated coastguard incursions in the Senkaku-Diaoyu area since 2012, the establishment of a new Air Defence Identification Zone (ADIZ) that overlaps with Japan’s own ADIZ in the East China Sea in November 2013 and its gradual control of more land features in the South China Sea. Although Taipei decided not to cooperate with Beijing with regard to the territorial disputes and clashes that have intensified in the South and East China Seas since 2010, Ma Ying-Jeou has remained particularly subdued, if not silent, about Obama’s new policy. In particular, he has shown more interest in joining the Trans-Pacific Partnership (TPP) and solving the beef issue than in praising this new security development.

In any event, the rhetoric around the US-Asian ‘pivot’ and ‘rebalancing’ does not modify the more dangerous equation that is taking shape for the US in the context of a Taiwan scenario, especially at a time when the US government is announcing unprecedented cuts in defence expenditures. Nor does Washington’s new policy hide the increasing difficulties, in the long term, for its Navy to continue to dominate the seas around China. In these circumstances, how can the US expect to be able to balance the growing strength and capability of the PLA’s navy to navigate the high seas, and especially to gradually dominate the seas surrounding it, including the Taiwan Strait?

In other words, the US ‘rebalancing’ strategy is unlikely to give Taiwan any additional security guarantee from the US and it will not reverse the current power transition from the US to China, especially in the Western Pacific and therefore around Taiwan. Finally, since Japan is worried about the PLA’s rapid modernization drive and China’s increased pressure on the Senkaku-Diaoyu archipelago, it will probably invest more in defence, particularly in the Navy, and take up a greater share of the US security burden in East Asia. However, even then, Japan’s role in strengthening Taiwan’s security is likely to remain marginal.

Non-military security challenges

Non-military security challenges are much harder to apprehend and keep in check. These challenges stem not only from the deepening and increasingly asymmetrical interdependence across the Taiwan Strait but also from the ambiguities and weaknesses of Taiwan’s international status, identity and nation-building process. To put it differently, economic and people-to-people interdependence between two nation-states of uneven size, population, resources and power that still recognize each other and live in peace can create difficulties and bear consequences for security, including the need for the smaller country to obtain protection from a greater power. Nevertheless, this does not usually affect the smaller country’s future and survival. In Taiwan’s case, the unbridgeable divisions within society and among the political elite about ‘what is Taiwan?’ – its past, its present (ROC or Taiwan) and its future (permanent separation from China or some kind of unification) – directly weaken the island’s security vis-à-vis the PRC and ease the latter’s united front activities.
Taiwan’s asymmetrical dependence upon China

Taiwan’s unprecedented level of economic dependence on the mainland economy (around 40 per cent of the island’s exports and 60 per cent of its FDIs) does not represent, in itself, a security challenge. This situation and the emerging trends make it easier for Beijing to coerce the island without using military means, for instance, through economic sanctions (Kastner 2011: 12). Ma’s ‘rapprochement’ policy, the Economic and Cooperation Framework Agreement (ECFCA) signed in June 2010 as well as the 21 accords concluded between Taipei and Beijing since 2008 have deepened this dependence and directly contributed towards multiplying the Taiwanese constituencies that have a vested interest not only in maintaining a close and stable relationship with Beijing but also in pushing further the island’s dependency upon its major source of revenues: the tourist and service industries as well as the fruit, vegetable and fish farmers, who are probably the best known beneficiaries of Ma’s policy. But the latter are far from being the only ones: the main beneficiaries are the most advanced industries that have partly relocated their production lines to the mainland but have also continued to manufacture many key items and high added-value items on the island (electronics, computers, nanotechnologies) (Rosen and Wang 2011).

This does not mean that the PRC authorities have been as successful as some DPP officials argued during the 2012 election campaign in ‘buying’ the support of the voters representing those constituencies. For instance, a great deal of evidence has surfaced to show that the areas that have benefited from the ECFA’s ‘early harvest’, such as the Southern Taiwan milkfish farmers, have not really modified their voting behaviour. And economic sanctions are tricky weapons to use, particularly for an economy that is as globalized as the Chinese economy (Tanner 2007). However, this growing dependence has increased the pressure on both the political elite and society to adjust their views about a whole range of issues, from mainland policy all the way to, arguably, the identity and the future of Taiwan.

The KMT’s new Chinese nationalism

Since Ma came to power in 2008, the KMT has revived, to some extent, its traditional and somewhat old-fashioned Chinese nationalism, a nationalism that once again places the unity, if not the unification of the Chinese nation/race (Zhonghua minzu), at the heart of its ideological discourse. This new/reborn narrative is not only aimed at denouncing and reining in what the KMT and Beijing describe as Chen Shui-Bian’s ‘desinicization’ (qushengzhuohua) policy but also at negating Lee Teng-Hui’s earlier attempted localization – or Taiwanization – of the KMT and the ROC. Although Ma has not endorsed the dark blue view, according to which Taipei, since 1949, has merely been the provisional capital of the ROC and unification should take place rapidly, he and the KMT have contributed towards creating tensions between their brand of Chinese nationalism and the need to cultivate the local Taiwanese identity and voters (Hughes 2014).

The KMT’s new or revived Chinese nationalism is officially aimed at anchoring Taiwan in the Chinese nation, bridging the gap with the PRC and, last but not least, favouring the mainland’s democratization. At the same time, the KMT has effected a reconciliation and developed a privileged relationship with the CCP. These new discourses and priorities raise many questions: are there factors of political unity or division on the island? Are they prone to consolidate or, on the contrary, weaken Taiwan’s nation-building process as well as Taiwan’s determination to maintain a credible defence? I would like to argue, here, that the KMT’s new Chinese nationalism, its concurrent deconstruction of the ROCOT – the Republic of China on Taiwan, an inclusive and distinct acronym coined under Lee Teng-Hui – and its rapprochement policy have contributed towards the weakening of Taiwan’s statehood and international status, notwithstanding the lack of progress on the latter front since 2008, as well as towards forfeiting a domestic political consensus and endangering national security. It has also contributed towards persuading Beijing to tighten the screws: at the 8th KMT-CCP Forum held in Harbin on 28 July 2012, a Politburo Standing Committee member, Jia Qinglin, declared that both Taiwan and the mainland belonged to ‘one country’ (liang’er yiqi) instead of ‘one China’ (liang’er yizhuang), which triggered endless discussions and criticism on the island (Brown 2012). In any event, reflecting the growing PRC impact on the KMT, these developments have placed the DPP and the electorate as a whole under additional constraints, narrowing their options vis-à-vis China and for the future (Beckershoff 2014). In this context, the success of the March 2014 Sunflower movement, led not by the DPP but by student activists, that opposed the speedy adoption by the Legislative Yuan of the Service Trade Agreement signed in June 2013, has underscored the growing anxiety of Taiwanese society vis-à-vis the KMT’s rapprochement policy.

The DPP and the electorate’s narrowing room for manoeuvre

The greatest impact of the growing dependence associated with Ma’s ‘rapprochement’ policy has clearly been on the DPP and the electorate. Although before the beginning of the 2012 electoral campaign, Ma was still perceived by many Taiwanese voters as a weak and incompetent (wuwei) president, he was rather easily re-elected: part of the reason for this was that the DPP candidate, Ms. Tsai Ying-Wen, was unable to reassure not only her potential voters but also the Taiwanese business community and the US about her future mainland policy and her ill-defined ‘Taiwan consensus’ (Taiwan gongshi). One of the key outcomes of her defeat has been the dilemma that the DPP, if it wants to increase its chances of regaining power, cannot afford to either ignore China’s requests or endorse, in one way or another, what Su Chi and later the KMT and the PRC have called the ‘1992 Consensus’. As a matter of fact, the DPP has remained deeply divided on this issue (Romberg 2012b): while Frank Hsieh Chang-Ting has continued to promote the concept of a ‘constitutional one China’ (xianfa yizhuang) and in October 2012, paid a ‘private’ but icebreaking visit to the
mainland, followed by another visit to Hong Kong and Shenzhen in June–July 2013, the Party’s Chairman, Su Chen-Chang (until March 2014), continued to adhere to the 1999 Resolution on Taiwan’s Future, according to which the ROC equates to Taiwan (Romberg 2012a: 3).

Tsai’s re-election as DPP chair in March 2014 may help the main opposition party to endorse a new China policy. However, the report adopted by the DPP’s China Affairs Committee in January 2014 has not fundamentally modified the party’s view of its relations with China (Democratic Progressive Party 2014). And in her subsequent statements, Tsai has refused to formally endorse the ‘92 Consensus’. Hu Jintao’s reference, at the Eighteenth Party Congress, to the ‘one China framework’ (yige Zhongguo de kuangjia) as well as the ‘one China principle’ may help the CCP and the DPP to reach some kind of understanding.

In any event, the last few years have made the DPP and Taiwanese society at large ‘prisoners’, if not of the ‘1992 Consensus’ at least of the ‘one China’ fiction or unreality. In other words, the changes in the Strait since 2008 have contributed towards narrowing Taiwan’s options for the future and have made the island more dependent upon Beijing’s good will; they have weakened Taiwan’s de facto independence and, as a result, Taiwan’s security.

The mainstream inclination of the Taiwanese business community

In the 2012 election, for the first time, a broad majority of business leaders openly endorsed the ‘1992 Consensus’ and consequently placed the DPP in a more difficult position. These business people included entrepreneurs, such as Chang Yung-Fa, Evergreen’s owner, who had previously sided with the green camp (except on direct air and sea links with China). More worrying has been the evolution of some media outlets such as the China Times (Zhongguo shibao), bought by Tsai Eng-Meng’s Want Want group (Wangwang tuanji) in 2008, which have become less critical of the PRC authorities than even the dark-blue and KMT-supported United Daily News (Lianhebao). The acquisition in November 2012 of around one-third of Jimmy Lai’s New Media Group and especially the Apple Daily newspaper by Tsai Shao-Chung, Tsai Eng-Meng’s son and the president of Want Want group, have deepened these concerns. Although many Taiwanese have kept their distance from the Want Want media and have recently become more vocal in their protests against Ma’s mainland policy, these developments highlight another facet of Taiwan’s ‘Hongkongization’: the unprecedented emergence of a pro-Beijing discourse on the island.

A changing Taiwanese identity

It is often argued that in spite of these trends, the Taiwanese identity has continued to strengthen and, therefore, to consolidate the island society’s attachment to the status quo and de facto independence. According to Chengchi National University’s Election Study Centre, in 2013, 57 per cent of the respondents considered themselves to be Taiwanese (against 17.6 per cent in 1992), 36 per cent both Taiwanese and Chinese (46 per cent) and less than 4 per cent only Chinese (26 per cent). But these perceptions are becoming increasingly disconnected from the political options available to Taiwan’s political and economic elites and the two major parties, the KMT and the DPP. They are also becoming more and more disconnected from the professional and personal options that the Taiwanese, especially the youth of Taiwan, can contemplate. Or to be more accurate, Taiwan’s identity is being increasingly constrained by this reality and, as a consequence, gradually disconnected from Taiwan’s independence and quest for full statehood: in other words, the Taiwanese identity is becoming more and more ‘Hongkongized’.

There are still major differences in terms of identity between Hong Kong and Taiwan, since the latter is a de facto state and the former is not. However, related to this changing content of the Taiwanese identity, several studies have shown that young Taiwanese have a more flexible approach to the PRC: their professional careers often include at least a temporary relocation to the mainland, since the local employment market remains sluggish and offers less well-paid jobs (see also the chapter by Yen-Fen Tseng in this volume). In case of war, most would prefer to flee rather than to face conscription and fight for the survival of the ROC, and they are becoming increasingly open-minded about the long-term solution of the cross-Strait conflict, especially the prospect of unification (Le Pesant 2011 and 2012).

Finally, the growing number of PRC spouses and other residents in Taiwan and the Taishang (Taiwanese business people) on the mainland include a security dimension. While around 350,000 mainland Chinese spouses have married Taiwanese citizens in the last 20 years or so (roughly 320,000 of them reside in Taiwan, the others mainly on the mainland), it is by definition impossible to assess the total number of PRC nationals living on the island (see also the chapter by Jian-Bang Deng in this volume). The number of illegal PRC nationals is also increasing and difficult to track. Conversely, between 1 and 2 million Taiwanese people are living on the mainland and some of them have married local spouses. In any event, these two distinct but growing communities and their offspring have already started to influence Taiwan’s view of the PRC (and China’s view of Taiwan). The sheer magnitude of these interactions and cross-marriages cannot be discounted as marginal, especially in a society whose fertility rate has continuously decreased during the last 20 years (1.07 births per woman in 2013, down from 1.27 the previous year). While this phenomenon may remain a long-term issue, it is prone to facilitate Beijing’s united front work on the island. Although the Taishang and the Taiwanese business community are probably not ‘agents of unification’, they have certainly become what I would call ‘agents of accommodation’ (Lee 2011, Schubert 2010, Keng and Schubert 2010).

Beijing’s more efficient ‘united front’ strategy

Little is known about the CCP’s united front work (UFW) on Taiwan. It is indeed easier to identify UFW objectives and actors on the mainland: the united front cadres mainly target the Taishang and use all the Taiwan-related agencies
DPP on a common mainland China and security policy. Another is the growing inclination of Taiwan’s main opposition party to move closer to the ‘1992 consensus’ or a similar commitment (the ROC constitution) in order to increase its chances of winning back the presidency – with the risk of splitting its own organization and ending up weaker in the parliament in the future.

All in all, Taiwan’s non-military security challenges cannot be discounted. They are becoming increasingly palatable and, in the middle term, may well start to pose a greater threat to Taiwan’s de facto independence and options for the future than its military challenges.

Conclusion

Taiwan’s security is facing growing challenges and the looming debate in the US is fueling a sense of insecurity and uncertainty about the island’s mid-term and long-term future. The good news is that the increasing flow of economic and quasi-governmental exchanges as well as people-to-people contacts across the Strait is strengthening interdependence and understanding between Taipei and Beijing; it is also consolidating stability and peace across the Taiwan Strait. The likely opening, in the coming years, of SEF and ARATS offices in both capitals is, in this respect, an encouraging development. The stabilization and ‘creeping normalization’ of the cross-Strait relationship is also contributing towards creating non-military CBMs across the Strait. In other words, for each of the three actors involved – Taiwan, China and the US – the cost of war is becoming more unbearable every day and the risk of war is therefore becoming more unlikely. The bad news is that the asymmetry between China and Taiwan is widening, and not only from a military point of view; time seems to be on the PRC’s side with regard to gradually compelling Taiwan to become more accommodating and, eventually, to give in to the PRC’s political demands without having to resort to any kind of armed conflict.

To contain or manage these dangerous trends, Taiwan still holds four trump cards: a meaningful defence system, US support, democracy, and what I have elsewhere called a ‘sovereignist consensus’ on the survival of the Republic of China on Taiwan (Cabestan 2010). If Taiwan plays these cards well, national security will be guaranteed and the island will hold on until the PRC changes, hopefully, and becomes a democratic country. Among these four cards, maintaining a credible defence system is clearly Taiwan’s top objective, because the other three cards can only be played if this ‘ace’ remains in Taiwan’s hands. In spite of China’s and the PLA’s growing power, this goal is not out of reach if the Taiwanese military’s asymmetric strategy and strong deterrence are consolidated, if Taiwan’s political authorities decide to invest more in defence modernization and consolidation, and if they manage to persuade the United States to stay committed to the island’s security and to the status quo in the Strait, at least in the mid-term future or for the next 20 years.

However, a strong defence system is not enough, especially in the increasingly asymmetrical game in which Taiwan is involved. The island is facing a growing number of non-traditional security challenges originating in China,
particularly the CCP’s united front strategy and its increasing capacity to influence the island’s political and business elites, media, opinion leaders and public opinion at large. To counter this strategy, the Ma Administration has enhanced protective measures and has started to more actively promote Taiwan’s ‘soft power’ and to use it as a lever. But will these initiatives be sufficient to keep Taiwan safe from the PRC’s UFW?

The final and probably most important objective for the current government, however, is to achieve domestic consensus on Taiwan’s mainland policy and security. This is not an easy task, since the main political divide still cuts through identity issues and the island’s short-, mid- and long-term relationship with the PRC. Having forced the Ma Administration to accept a stronger Legislative Yuan supervisory role in April 2014, the Sunflower movement has underscored the depth of the divisions remaining in Taiwanese society and also the depth of the concerns over the KMT’s rapprochement policy on the island.

All in all, Taiwan’s military and non-military security challenges have intensified during the last decade and particularly since the KMT’s return to power in 2008. Nevertheless, although its options are narrower than before, Taiwan is far from being in a desperate situation, since its future depends on many factors and variables which have by no means all manifested themselves on the island, in China, in the US and elsewhere.

Notes
1 The QDR released in March 2013 has strengthened this offensive capability (Ministry of National Defence of the Republic of China 2013: 38–41).
2 China Post, 12 September 2010, 1.
5 China Post, 15 November 2011, 1.
6 Hsieh recognizes that, according to the ROC constitution, there is only one China, the ROC. This view conveys with that of the KMT.

References

16 Conclusions
Assessing the China impact

Gunter Schubert

This volume has undertaken a thorough preliminary analysis of China’s political and social impact on Taiwan. A number of research questions are formulated in the Introduction as a guide to the various chapters:

- What precisely is the China impact on Taiwan in the research area with which each author is concerned?
- To what extent is Taiwan’s political and social space constrained and/or enlarged by the China impact?
- What kinds of challenges and/or opportunities arise from the China impact for Taiwan’s future, and how should Taiwan respond to them?

These questions have been addressed in the individual chapters, and it is now the task of the editor, in these concluding remarks, to highlight the ‘deep structure’ or, to express this less ambitiously, the core issues of the China impact as these have been identified and analysed by the authors who have contributed to this volume. This will involve cutting across the three thematic blocs – domestic politics, society and security – in which the chapters have been categorized. Four core issues present themselves.

1 China’s impact on policy preferences and cross-Strait policy-making in Taiwan

The authors who have contributed to this volume generally agree that the way in which most Taiwanese citizens cast their ballots in the 2008 and 2012 presidential elections was indicative of the warm welcome being extended to cross-Strait economic integration – and not only by constituencies with vested interests, such as the entrepreneurs and white-collar workers who are looking for investment opportunities and jobs on the mainland. China’s rise and the promise that all Taiwanese would benefit from the intensification of cross-Strait trade, as well as the offer of a ‘peace dividend’ accompanying the political rapprochement across the Taiwan Strait, served to convince not only those who usually take an independent or middle-of-the-road stance in terms of party support but also those who would usually be rather cautious, if not reluctant, to side with the ‘blue