



## Recent Trends in China-Taiwan Relations

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The two major political parties of Taiwan Kuomintang (KMT) and Democratic Progressive Party (DPP) have very clear difference on the question of independence of Taiwan and its relations with the mainland China. KMT was not a native party of Taiwan. It was formed in mainland China 100 years ago and since 1949 has been the major party of Taiwan until the formation DPP in 1986 which emerged as a native Taiwanese party. Though disputes between these parties have been constant, in the last decade there has been a tremendous change in the perception of the two parties on the question of cross-strait relations.

KMT came to power in 2008 after two terms of DPP under the leadership of Chen Shuibian and Ma Ying-jeou assumed office as the President. In 2012 January, President Ma has been re-elected for the second time by defeating DPP candidate Tsai Ing-wen. Ma Ying-jeou's victory apparently indicates public supports for his pro-China policy. The presentation addressed following questions: How do the public react to Ma Ying-jeou's self-claim of great achievements in cross-strait peace process? And why was DPP unable to formulate an effective policy to balance KMT's pro-Beijing stance?

Both parties have different opinions and views on their relations with China. DPP clearly wanted Taiwan to be recognised as an independent country and do not buy the idea of being too close to mainland China and acknowledge that it was difficult to change the current situation and see Taiwan as autonomous. In the 1990s there was some consensus when the KMT leader was a Taiwanese and friendly with the DPP. KMT and DPP started to cooperate in certain areas and both parties followed the line of maintaining the status quo with China. But relations between the two parties worsened from 2000. The clash started with the presidential election of 2000. DPP won the presidential election in 2000 with President Chen Shui-bian. KMT started boycotting most of the policies and budget plans submitted by the DPP government. KMT even attempted to launch an impeachment against President Chen on the issue of the nuclear power plant when DPP had stopped nuclear power plant project introduced by KMT. At this juncture both planned different policies on China too. In 2003, President Chen began to adopt more assertive ways to show Taiwan as a *de facto independent* state and began to talk about China threat. At the same time KMT Chairman Ma Ying-jeou also introduced a new strategy aiming at keeping the status quo of Taiwan's status in exchange for peace between both sides: *no unification, no independence, and no use of force*.

In 2005 the Vice President of KMT, Lien Chan visited China to meet President Hu Jintao in Beijing and this was a breakthrough as first time in 50 years top leaders of KMT and CPC had met. There were new policies and strategies introduced since then. It was agreed that status quo was to be maintained and KMT came up with the slogan of peace and emphasised 'no unification, no independence and no use of force'.

There were other developments since 2008 after KMT came back to power. After Ma's inauguration, Chiang Ping-kun, new Chairman appointed by the KMT government for the Economic Front, flew to Beijing to meet his counterpart Chen Yunlin and signed two agreements. Since 2008, Chiang and Chen have talked eight times and have signed 18 agreements. Ma other achievements in improving China-Taiwan relations have been Economic Cooperation Framework Agreement (ECFA) signed in June 2010 that got legislative approval. These agreements include air, sea transport agreement, a postal service agreement, and food safety and so on. There has also been liberalisation of currency exchange between new Taiwan dollars and Chinese Renminbi in the domestic market and lifting of bans on Chinese investments in Taiwan. Other than economic exchanges there were social exchanges too like students from China seeking education in Taiwan and marriages between Chinese and Taiwanese residents. China also has a million Taiwanese staying there. While KMT has gone ahead to sign agreements, DPP's independence stand continued and they did not favour these agreements. Ma was also interested to sign a peace agreement with China but China's stand is clear – peace would be there if Taiwan agrees to unify with China. Ma's more recent position and a new proposal on Taipei and Beijing states – *'mutual non-recognition of sovereignty and mutual non-denial of authority to govern'* and there has been no response from China on this front.

So in the recent elections in 2012 relations with China was not brought up as an agenda. In these elections KMT recognised the one China principle while maintaining the status quo of Taiwan; advocated for signing a peace agreement with China and moving towards a closer economic partnership with China. On the other hand DPP refused to recognise the 'One China' principle; advocated the idea of Taiwan consensus and agreeing to establish a new cross-strait framework as long as it is beneficial to both sides.

DPP under leadership of Tsai Ing-wen did not really alter the position on Taiwan's sovereign status and remained reluctant to review its China policy. It boycotted the ECFA but failed to stop its approval in the legislative. During 2012 presidential election, DPP's strategy is to persuade Beijing to abandon the outdated 1992 consensus and rebuild a new one based on the reality across the Taiwan Strait. Tsai Ing-wen resigned after her defeat in presidential election. New Chairperson Su Tseng-chang has made no adjustment to DPP's China policy and has been reluctant to do so, however DPP is now looking at changing its China stance and there are factions within the party regarding this. A DPP leader, Frank Hsieh visited China in October 2012 and called for building direct dialogue with Beijing and a new round table will be formulated in the DPP soon. Many DPP think tanks have recently visited China and Beijing has also become much smarter in the way it deals with it.

Now level of trade and economic interactions between Taiwan and China is very high. About 40 per cent of Taiwan's export was to China and 20 per cent of its import was from China. Economic interest was a very big priority though other issues like identity were also important for Taiwan though it is not frequently discussed issue. Media in Taiwan is divided along party lines but there are individuals who have Chinese origin and have control over what gets shown in print and visual media.

Taiwan and Japan relations are not good at present as KMT clearly does not like Japan. The issue over the Senkaku islands still is an issue of contention and in this case China and Taiwan are getting closer.

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