

 Analysis No. 293, January 2016

TAIWAN ENTERS THE TSAI ING-WEN ERA AND THE IMPACT ON CROSS-STRAIT RELATIONS

Wen-cheng Lin



The unprecedented victory of **Tsai Ing-wen** in Taiwan's 2016 presidential elections was largely expected, but it is still a surprising result for the first women who will become President of Taiwan. Nonetheless, it is just the beginning: she will have to face the challenges of Taiwan's foreign policy in the evolution of relations with China, with the United States and the international community; of its domestic policy in the development of economic issues and the constant matter of a missing consensus in Taiwan national identity.

In this analysis, the author explains the possible scenarios of Taiwan's international interlocutors, how the reactions of China and the United States could be seen by the new President Tsai Ing-wen: as a threat, or as a benefit.

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Introduction

Cross-strait relations have been affected by three categories of factors: (1) the development of the international system, including changes in the power relationships among the major powers and in particular Washington's policy toward Taiwan; (2) China's political and socio-economic changes; and (3) Taiwan's political and socio-economic changes. Taiwan's presidential and legislative elections belong to the third category.

As all of the polls indicated and observers predicted before the voting, Tsai Ing-wen won a landslide victory in Taiwan's 2016 presidential election and she will become the first female president in Taiwan's history on May 20 of this year. Her party, the Democratic Progressive Party (DPP), also won a comfortable majority of the seats in the Legislative Yuan.

Winning the election was a much easier feat for Tsai Ing-wen compared with the difficulties she will encounter after she takes office. Tsai Ing-wen fully understands Taiwan's enormous domestic and external challenges. Those challenges and problems, according to Tsai Ing-wen, include economic stagnation, the widening income gap, huge deficits in various public pension funds, the need to establish a social safety net, the urgent task of creating jobs and to increase salaries for the younger generation, to broaden Taiwan's international participation, and to manage cross-strait relations¹. Among those challenges, how to manage cross-strait relations has attracted a lot of attention in both Taiwan and in international community. It was the hottest issue in debates between presidential candidates during the campaign.

What would happen to cross-strait relations after Tsai Ing-wen takes office on May 20, 2016? At least four factors will be the key to answer this question: (1) Beijing's policy toward the Tsai administration; (2) Tsai Ing-wen's China policy; (3) Taiwan's domestic politics; and (4) Washington's position.

Tsai Ing-wen's China policy

Tsai Ing-wen was the minister of the Mainland Affairs Council from May 20, 2000 to May 20, 2004 and is currently the DPP's chairperson. She has ample experience in handling cross-strait relations. She reiterated during her presidential campaign that her China policy is to maintain the status

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¹Tsai Ing-wen, "Taiwan can build on U.S. Ties," *The Wall Street Journal*, June 1, 2015, <file:///C:/Users/Owner/AppData/Local/Temp/Low/YZL788WF.htm>; and "Taiwan Meeting the Challenges: Crafting a Model of New Asian Model," speech delivered by Tsai Ing-wen to Center for Strategic and International Studies in Washington, D. C. on June 4, 2014, <file:///C:/Users/Owner/AppData/Local/Temp/Low/A66BPDYE.htm>.

quo². In her victory speech Tsai Ing-wen pointed out that she would “maintain the status quo for peace and stability across that Taiwan Strait”³. Although she did not clearly define the *status quo*, her major ideas can be summarized as follows based on her interviews with media and the speeches delivered by her on many occasions. They are: (1) she promises to “push for the peaceful and stable development of cross-strait relations in accordance with the will of the Taiwanese people and the existing ROC constitutional order” (2); she will honor all of the written cross-strait agreements ratified by the Legislative Yuan⁴; (3) she supports to continue the talks between the Strait Exchange Foundation (SEF) and the Association for Relations Across the Taiwan Strait (ARATS), but she will “push for legislation of the Cross-strait Agreement Oversight Bill to establish a comprehensive set of rules for overseeing the cross-strait exchanges and negotiations”; and (4) she rejects that there is a so-called “1992 consensus”⁵. But during the televised debate on December 27, 2015, Tsai Ing-wen said that she does “not deny that facts of history in 1992 cross-strait talks in Hong Kong”⁶. But she emphasized that “we have different opinions” about the fact. It seems that it is her bottom line.

Tsai Ing-wen’s China’s policy is based on the idea of people sovereignty. She promoted the idea of “the Taiwan consensus” in the 2012 presidential election. She emphasized the principles of sovereignty, democracy and peace to denounce President Ma’s proposal to sign a peace agreement with China in November 2011⁷. After she was nominated by the DPP in April 2015 to run again for the presidency, Tsai Ing-wen emphasized that “no matter which party governs in the future, cross-strait relations must be

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² <file:///C:/Users/Owner/AppData/Local/Temp/Low/S0XBDQKH.htm>; and <file:///C:/Users/Owner/AppData/Local/Temp/Low/A66BPDYE.htm>.

³ Focus Taiwan News Channel, “Full Text of Tsai’s Victory Speech at International Press Conference,” January 16, 2016, <http://focustaiwan.tw/news/aip/201601160053.aspx>.

⁴ In her speech to CSIS, Tsai Ing-wen said that “the two sides of the Taiwan Strait should treasure and secure the accumulated outcomes of more than twenty years of negotiations and exchanges. These accumulated outcomes will serve as the firm basis of my efforts to further the peaceful and stable development of cross-strait relations.” The agreements signed between Taiwan and China since early 1990s are a part of the accumulated outcome. See “Taiwan Meeting the Challenges: Crafting a Model of New Asian Model,” speech delivered by Tsai Ing-wen to Center for Strategic and International Studies (CSIS) in Washington, D. C. on June 4, 2014, <file:///C:/Users/Owner/AppData/Local/Temp/Low/A66BPDYE.htm>.

⁵ <file:///C:/Users/Owner/AppData/Local/Temp/Low/RITLSIH9.htm>.

⁶ “Taiwan’s Presidential Election First TV Debate Poo: Tsai Chu Win 2%,” December 28, 2015, <http://en.coourl.com/article/9491>.

⁷ <http://www.dpp.org.tw/newscontent.php?sn=5520>.

always in accordance with the will of the people”⁸. In her victory speech Tsai Ing-wen emphasized that “the will of the Taiwanese people will become the foundation for future cross-strait relations”⁹. She insists that Taiwan’s 23 million people enjoy the right to decide Taiwan’s future. She promises that she will make efforts to maintain peace and stability in the Taiwan Strait. It means that she will not provoke China. Indeed, she emphasizes that “we certainly would not provoke contradictions, conflict, or confrontation”¹⁰. Therefore, she will not pursue the establishment of a de jure independent state of Taiwan. But Tsai Ing-wen emphasizes that cross-strait talks should not sacrifice Taiwan’s sovereignty. The DPP opposes entering into cross-strait political talks for the time being and Tsai Ing-wen is cautious about political talks with China. But she does encourage cross-strait exchanges. The DPP under her leadership informed all DPP mayors and magistrates to establish “cross-strait affairs taskforces” to handle matters related to China and to develop ties with China.

Beijing’s possible response

Beijing is definitely another key player in cross-strait relations. No one doubts Tsai Ing-wen’s sincerity to maintain a good relationship with China. No matter whether Taiwan likes it or not, China is a very important country to the island. China is both a threat and an opportunity to Taiwan. Economically, Taiwan depends on the mainland Chinese market. Taiwan’s exports to Hong Kong and China together accounts for 39.8% of its total export¹¹. Moreover, Taiwan has invested more than \$200 billion in China¹². Taiwan hopes to make use of the China market for its economic growth. Politically, Taiwan is a country which has no consensus on national identity. The PRC’s influence has penetrated into

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⁸ <http://english.dpp.org.tw/dpp-nominates-tsai-ing-wen>.

⁹ Focus Taiwan News Channel, supra note 3.

¹⁰ Quoted in David G. Brown and Kevin Scott, “China-Taiwan Relations: Looking to a different Future,” in Carl Baker and Brad Glosserman (eds.), *Comparative Connections*, Vol. 17, No. 1 (January-April 2015), p. 71.

¹¹ In 2014, Taiwan’s export to Hong Kong accounted for 13.6% of Taiwan’s total export and Taiwan’s export to China accounted for 26.2% of Taiwan’s export. The combination of the two was 39.8%. See *Cross-strait Economic Statistics Monthly*, No. 268, August 2015, p. 2-2.

¹² By June 2015, Taiwan’s investment approved by the ROC Ministry of Economic Affairs had accumulated to \$148.88 billion. But this figure is unrecorded because many Taiwanese companies did not apply for official approval to invest in China. It is impossible to know the exact amount of Taiwan’s investment. But many people believe that the money should be more than \$200 billion. For the official ROC statistics, see *Cross-strait Economic Statistics Monthly*, No. 268, August 2015, p. 2-9.

almost every corner of the island. It has the power to destabilize the island. Militarily, the People's Liberation Army (PLA) deploys more than 1,500 missiles targeting the island and has never renounced the use of force against Taiwan¹³. Additionally, China's National People's Congress enacted the Anti-secession Law on March 14, 2005, authorizing the State Council and the Central Military Commission to consider the use of force against Taiwan when peaceful means are exhausted. Therefore, a provocative policy which might give Beijing an excuse to use force will not be supported by the majority of the Taiwanese people. For Tsai Ing-wen's China policy to succeed, she needs the cooperation from Beijing. In addition, Tsai Ing-wen needs to maintain a stable cross-strait relationship in order to concentrate her energy for domestic reform. Unfortunately, in the game of cross-strait relations, the ball is always in the hands of China because Beijing has far more leverage than Taipei.

Beijing does not trust the DPP because the party aims at building an independent Taiwanese state. The goal was written into the party's platform. The Chinese Communist Party (CCP) refuses to conduct party-to-party exchanges with the DPP before the latter formally abandons the Taiwan independence platform. Beijing did expect that the DPP would come back to power in 2016. It has reiterated that to accept the "1992 consensus" is the foundation or precondition for future cross-strait talks. The reason why Xi Jinping was willing to meet Taiwan's unpopular President Ma Ying-jeou in Singapore on November 7, 2015, was to set up an irreversible framework for cross-strait relations based on the one-China principle before Tsai Ing-wen takes power. Ma Ying-jeou did not disappoint Xi when he talked about the "92 consensus", saying that "the two sides of the Taiwan Strait reached a consensus on the one China principle in 1992"¹⁴.

Beijing believes that Tsai is a rational, pragmatic and consistent Taiwanese leader who supports Taiwan independence. Evidence shows that Beijing still refuses to accept Tsai Ing-wen's China policy. It is uncertain whether it is Beijing's strategy to force Tsai Ing-wen to make further concessions or whether that is Beijing's true position. A rising China has become more confident or even more arrogant in dealing with Taiwan. Beijing believes that it has more leverage vis-à-vis Taiwan and time is on its side, so it can afford to wait and Taiwan will sooner or later succumb to China's pressure. If that is the real mindset of the People's Republic of China (PRC) government, people can expect to be pessimistic about future cross-strait relations during Tsai's presidency. But Beijing has so far not targeted Tsai Ing-wen for criticism. Although individual

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¹³ *Liberty Times*, September 1, 2015, <http://news.ltn.com.tw/focus/paper/911648>.

¹⁴ http://www.metamuse.net/2015/11/blog-post_7.html.

Chinese scholars have criticized the DPP chairwoman, so far the PRC government has avoided directly criticizing her. It only asked her to clarify her stance on cross-strait ties and her definition of the *status quo*¹⁵.

Several reasons encourage Beijing to take a relatively moderate position toward Tsai Ing-wen. First, Beijing realized that Tsai Ing-wen was going to win the presidency because the pan-blue camp was divided and the KMT candidate was too weak. It was almost impossible for Beijing to change such an outcome. Therefore, Beijing reiterated that it would not interfere in Taiwan's 2016 elections¹⁶. Of course Beijing did not tell the truth, since it did try to affect Taiwan's elections, but it did not want to close the door of dialogue with Tsai Ing-wen in the future.

Second, Tsai Ing-wen seems to have convinced Washington to accept her China policy. Beijing does not want to be seen as a trouble maker in the Taiwan Strait when Sino-American relations are not good and Washington has loudly criticized China on the South China Sea issue and China's military buildup in peaceful time. Beijing does not want to push the DPP further into the arms of the United States.

Third, Beijing is preoccupied with a lot of domestic problems such as the slow-down of economic growth, the widening gap between the rich and the poor, the degradation of the environment, the Uyghur and Tibetan secessionist movements, and the negative response from the United States and China's neighboring countries toward Xi's assertive diplomacy. Moreover, Xi's economic and political reforms, especially his campaign to combat corruption, might backfire. Therefore, solving the Taiwan problem should not be the top priority in Xi Jinping's political agenda. Xi's policy is still to maintain a peaceful international environment for China to develop its economy in order to realize his Chinese dream. Although Xi Jinping prefers a KMT government to continue the strategic opportunity for strengthening cross-strait ties, the policy of the DPP government under Tsai's leadership to maintain the status quo in the Taiwan Strait is in fact not really against Xi's interest at least before Xi further consolidates his power at the CCP's 19th party Congress in late 2017. Therefore, Beijing does not want to have a showdown with Tsai Ing-wen so early.

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¹⁵ Remarks of Fan Liqing, spokesperson of the State council Taiwan Affairs Office, at a regular press conference on May 27, 2015,

file:///C:/Users/Owner/AppData/Local/Temp/Low/F3C7W91A.htm.

¹⁶ "Chinese Mainland Reiterates No Interference in Taiwan Election," Taiwan Affairs Office of the State Council, file:///C:/Users/Owner/AppData/Local/Temp/Low/FZ398AJB.htm.

But one cannot be optimistic that cross-strait relations between the PRC government and the DPP government will be smooth. On the contrary, we can have reasons to be pessimistic. As mentioned above, Beijing has so far not targeted Tsai Ing-wen. But it has continued to issue warnings to remind the DPP and Tsai Ing-wen about the possibility of increasing tension. For instance, in his meeting with KMT honorary chairman Lien Chan on February 18, 2014, Xi Jinping emphasized that the basis for cross-strait relations is the “1992 consensus” and opposition to Taiwan independence. He said: “This basis is the anchor of cross-strait relations. So long as both sides adhere to this basis, cross-strait relations will head for a bright future. If it is breached, cross-strait relations will return to the old situation of unrest”¹⁷. Xi Jinping gave a severe warning to the DPP and Tsai Ing-wen in his talks to the Chinese People’s Political Consultative Conference on March 4, 2015. He threatened that “it will have an earth-shaking impact should the foundation is not sturdy”¹⁸. According to China’s Taiwan expert Zhang Nianchi the “foundation” in Xi’s mind is the “1992 consensus” and the one-China framework¹⁹. In his summit meeting with President Ma, Xi Jinping conveyed such a message again to Tsai Ing-wen that without such a foundation cross-strait relations are like a ship navigating in a stormy sea and it might be “completely capsized”²⁰. Xi’s remarks implied that there would be no peace in the Taiwan Strait should the DPP government reject the “1992 consensus”. Therefore, no one expects that Xi Jinping would pretend that Tsai’s election to office is nothing new and that he would carry on doing business as usual with Taiwan through the Tsai administration.

If China’s policy toward Taiwan from 2000 to 2008 can be used as a mirror – when the DPP was for the first time the ruling party under President Chen Shui-bian’s leadership – we can expect that Beijing will adopt the policy: “to listen to what one says and watch what one does”. Two possible approaches are likely to be taken by Beijing. The moderate approach is to suspend cross-strait talks, resume diplomatic warfare against Taipei, discourage Chinese tourists to Taiwan, and reduce economic favors to Taiwan. It will enter negotiations with Taipei on a case-by-case basis. Meanwhile, it will press Washington to discipline Taipei and make use of the KMT, pro-China media, and pro-unification forces in Taiwan to

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¹⁷ “Xi Proposes equal consultations on Cross-strait Political differences,” Taiwan Affairs Office of the State Council,

<file:///C:/Users/Owner/AppData/Local/Temp/Low/002SMPUI.htm>.

¹⁸ *China Times*, March 5, 2015,

<http://www.chinatimes.com/newspaper/20150305000881-260301>.

¹⁹ Zhang Nianchi, “Correctly Understand the Important Meaning of Xi Jinping’s ‘Four Insists’ Statement,” *China Review Monthly*, April 2015.

²⁰ <http://www.cna.com.tw/news/acn/201511070332-1.aspx>.

challenge the DPP government. A harsh approach is to increase the military threat by conducting military exercises targeting Taiwan and verbally threatening to use force against the island in addition to those measures mentioned in the moderate approach.

But as mentioned above, Tsai Ing-wen refuses to accept the “1992 consensus” although she does not deny the fact of history. Beijing realizes that it is unlikely for Tsai to accept the “1992 consensus”, but it does hope that Tsai can present an acceptable alternative formula. Beijing did send a message to Tsai Ing-wen by welcoming Taipei City Mayor Ko Wen-je’s position on cross-strait relations. Mayor Ko vaguely expressed his understanding and respect for the “1992 consensus” on January 5, 2015. He accepted the idea that the two sides of the Taiwan Strait belong to the same family and he also said that “one China is not a problem”²¹. It is still uncertain as to whether it is acceptable to Beijing for Tsai Ing-wen to follow Mayor Ko’s pragmatic approach. But at least it shows that Beijing can be flexible to the DPP government in the future.

Of course it does not mean that Xi will sacrifice the one China principle to compromise with the DPP. But one should not be so pessimistic that cross-strait relations will be doomed in the DPP’s hands. All of the messages passed through the Taiwan Strait from China show that Beijing will wait for Tsai Ing-wen’s inaugural address to decide whether it should take a harsh or moderate approach.

Taiwan’s domestic politics

As mentioned above, Tsai Ing-wen will face enormous domestic and external challenges. Domestic politics will restrict her flexibility to deal with China. First of all, it is well known that Taiwan is a country with a divided national identity. Although the mainstream viewpoint and trend is to keep Taiwan and China separate, there is still a certain percentage of the people who support Taiwan’s final unification with China. Although the percentage is small, those people create a barrier for building up consensus among the Taiwanese people on Taiwan’s policy toward China.

Second, although Taiwan’s democratic development is a successful model admired and respected by a lot of countries, including the United States, it is still a young democracy. Confrontation between political parties not only slows down Taiwan’s decision-making process but also reduces Taipei’s leverage to deal with Beijing. In the face of the threat from China,

Some of the challenges to Tsai Ing-wen can also come from her party. The DPP is a political party which suffers from factionalism. The Taiwan independence fundamentalists who promote the idea to establish an independent Taiwanese state oppose any policy which might hurt Taiwan’s sovereignty. The moderate faction headed by former DPP chairman Frank Hsieh believes that Taiwan should open to China and increase cross-strait exchanges

²¹ Chi-hao James Lo, “One China’ Comment taken out of Context: Ko,” *The China Post*, April 1, 2015, <file:///C:/Users/Owner/AppData/Local/Temp/Low/IWOWHYQZ.htm>; and “Can Tsai Ing-wen Replicate the Ko Wen-je Model?” *China Times* Editorial, August 20, 2015, <file:///C:/Users/Owner/AppData/Local/Temp/Low/6ELADGYZ.htm>.

a county which is much stronger than Taiwan in terms of population size and territory as well as economic and military capability, Taiwan must be united. Unfortunately, the pan-blue camp frequently chose to work with Beijing to challenge the DPP. It is foreseeable that Beijing will increase CCP-KMT cooperation and pan-blue legislators will push the DPP government to accept Beijing's terms. Unless Tsai Ing-wen is able to reach an agreement with the opposition parties to form bi-partisan support to her China policy, she will play quite an asymmetrical game stacked in Beijing's favor.

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Washington's position

The United States has been the most important third party in cross-strait relations. It was Taiwan's ally from 1954 to 1980 to deter China's military attack against the island. After Washington switched its diplomatic recognition from the Republic of China (ROC) to the PRC on January 1, 1979 and abolished the ROC-USA Mutual Defense Treaty on January 1, 1980, it has continued to be Taiwan's protector against the threat from China. Washington's basic idea on the Taiwan issue is based on the Taiwan Relations Act and the three communiqués signed between the United States and China (the Shanghai Communiqué of February 28, 1972, the *communiqué* to establish diplomatic ties on January 1, 1979, and the August 17 Communiqué of 1982). It accepts the one China policy, the notion that the Taiwan issue must be solved by peaceful means, no unilateral changes should be made to the *status quo*, and encouraging cross-strait dialogue.

It has been Washington's policy to maintain peace and stability in the Taiwan Strait, especially when the United States faces serious challenges in other regions

²² Alan D. Romberg, "Squaring the Circle: Adhering to principle, Embracing Ambiguity," *China Leadership Monitor*, No. 47, May 2015, p. 2, <http://www.hoover.org/sites/default/files/research/does/clm47ar.pdf>.

Some American scholars and officials believe that the Taiwan Strait is the most dangerous region for the United States. For instance, Kurt Campbell and Derek Mitchell believe that the Taiwan Strait is the most dangerous region because it might involve the United States in a major war²³. Nancy Tucker also points out that the confrontation in the Taiwan Strait is the single most dangerous challenge to the United States because if a conflict occurs in the Taiwan Strait and Washington decides to intervene, the United States will face a country with nuclear weapons and with mighty power-China²⁴. Therefore, it has been Washington's policy to maintain peace and stability in the Taiwan Strait, especially when the United States faces serious challenges in other regions.

In the 2012 presidential election, Washington preferred Ma Ying-jeou to Tsai Ing-wen on their China policies. Washington's support for Ma's campaign was believed to be one of the main factors that caused Tsai Ing-wen to lose the 2012 presidential election. Tsai Ing-wen is well prepared this time to convince the United States that she will be able to maintain peace in the Taiwan Strait. She made quite a successful trip to the United States in late May and early June in 2015. It seems that Washington is satisfied with her China policy, or at least that the United States did not make trouble for Tsai in the 2016 elections. One of the reasons is that Tsai promises to maintain the status quo and that she would not provoke China. To maintain the status quo in the Taiwan Strait is Washington's language and policy. Therefore, Washington has no reason to oppose Tsai's moderate approach.

Another important reason for the United States to accept Tsai Ing-wen is that the USA-PRC relations has turned sour in recent years. President Obama took office on January 20, 2009. His priority was to end the Wars in Iraq and Afghanistan. He did not want to see an unstable Taiwan Strait and Washington decided to intervene in Taiwan's election to help President Ma win reelection in early 2012. But the East Asian politics in the past four years has changed in favor of Taiwan and the DPP.

Zbigniew Brzezinski who describes the Eurasian landmass as a grand chessboard suggests that the United States should prevent this chessboard from being dominated by a hostile country or coalition²⁵. He believes that China and Russia or a Sino-Russian alliance will be the most likely force to win the game and to challenge the world leadership of the

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²³ Kurt M. Campbell, and Dereck J. Mitchell, "Crisis in the Taiwan Strait," *Foreign Affairs*, No. 80 (July/August, 2001), pp.14-25.

²⁴ Nancy Bernkopf Tucker, *Strait Talk: United States-Taiwan Relations and the Crisis with China* (Cambridge, Massachusetts: Harvard University Press, 2009), p. 2.

²⁵ Zbigniew Brzezinski, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives* (New York: Basic Books, 1997).

United States. He also believes that China's chance to win this game will increase if it is allowed to take over Taiwan – a pivotal country. Washington sacrificed Taiwan when the United States was preoccupied with the wars in Iraq and Afghanistan in the first decade of the twenty-first century and was eager to gain support from China to combat global terrorism.

After ending the war in Iraq in December 2011 and scaling down the fight leading toward the complete withdrawal from Afghanistan in the future, the Obama administration adopted a rebalancing policy by refocusing national security strategy on Asia in order to gain US influence in the region. After Xi Jinping came to power in November 2012, President Obama did have quite high hopes regarding the Chinese new leader. That's why President Obama invited Xi Jinping to the Sunnyland, California, to have an informal summit meeting in June 2013. But the United States has been disappointed by Xi Jinping. Xi's assertive diplomacy not only threatens China's neighbors but also challenges US leadership in the world, especially in the Asia Pacific. In addition, Xi Jinping did not improve China's human rights situation. On the contrary, he has tightened up control of the society by the state. Harry Harding points out that the most popular thinking among the US foreign policy elite today is that the United States should "toughen up" its posture toward China²⁶. Washington rediscovered Taiwan's strategic importance in the process of increasing USA-PRC competition in the Asia Pacific region.

Although Washington hardly mentioned Taiwan in its official documents concerning the rebalancing strategy, President Obama did include Taiwan in the US "coalition of some 65 nations" against the Islamic State of Iraq and the Levant (ISIL)²⁷. Although the United States will be very reluctant to enter a war with China for Taiwan, it cannot allow Taiwan to fall under China's control. The KMT's pro-China policy, which met Washington's short-term need to reduce tension in the Taiwan Strait, does not serve US interests in the long run. Therefore, Tsai Ing-wen's policy to maintain the status quo in the Taiwan Strait is welcomed by the United States. In fact, to maintain the status quo in the Taiwan Strait is Washington's language and policy. Washington should also be happy that Tsai Ing-wen promises

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²⁶ Harry Harding, "Has U.S. China Policy Failed?" *The Washington Quarterly*, Vol. 38, No. 3 (Fall 2015), pp. 95-122.

²⁷ In his speech at the US-ASEAN and East Asia Summit in Kuala Lumpur, Malaysia, On November 25, 2015, President Obama included Taiwan in the US coalition against ISIL. The Department of Defense, "Global Coalition Will Destroy ISIL, Obama Tells Asia-Pacific Region Partners," News release, <http://www.defense.gov/News-Article/630847/Global-Coalition-Will-destroy-ISIL>.

to broaden “multifaceted cooperation with the U.S.” in order to advance Taiwan-USA common interests and she is committed to more investment in Taiwan’s national defense²⁸. In an atmosphere of US-PRC confrontation, Washington is less likely to help Beijing press Taipei, especially when Tsai Ing-wen does not provoke China.

Concluding remarks

2016 is a very critical year to Taiwan. Beijing is not happy to see another power turnover on the island. Beijing’s response to a new DPP government could be either moderate or radical. Whether the approach is moderate or radical, cross-strait relations will be the victim. Beijing may suspend the SEF-ARATS talks and ask the new government to accept the “1992 consensus” as a precondition for cross-strait exchanges. If Tsai Ing-wen refuses to succumb to China’s pressure, Beijing might resort to more radical action. If tension increases in the Taiwan Strait, Washington will play an important role to stabilize cross-strait relations. But we do not expect that tension will dramatically increase in the Taiwan Strait because Tsai Ing-wen’s policy is to maintain the status quo and she promises not to provoke China.

Although official or semi-official cross-strait contacts might be unilaterally suspended by Beijing, people-to-people exchanges will continue with smaller volume. China has always adopted a so-called two “put hopes” policy – to put hope on the Taiwan authorities and to put hope on the Taiwanese people. When Beijing loses hope on the Taiwan authorities (the Tsai administration), it puts greater hope on the Taiwanese people. China will continue its existing “three middles and one young” policy, i.e. to give special care to small and medium enterprises, the middle and lower classes, the residents in central and southern Taiwan, and the youth in order to buy the support from the Taiwanese people²⁹. In sum, Tsai Ing-wen will face great difficulties in dealing with Beijing, but tension will not increase to a level of international concern in the Taiwan Strait.

²⁸ Tsai Ing-wen, “Taiwan can build on U.S. Ties,” *The Wall Street Journal*, June 1, 2015, <file:///C:/Users/Owner/AppData/Local/Temp/Low/YZL788WF.htm>; and “Taiwan Meeting the Challenges: Crafting a Model of New Asian Model,” speech delivered by Tsai Ing-wen to Center for Strategic and International Studies in Washington, D. C. on June 4, 2014, <file:///C:/Users/Owner/AppData/Local/Temp/Low/A66BPDYE.htm>.

²⁹ Alan D. Romberg, “Cross-strait Relations: Portrayals of Consistence, Calm on the Surface, Paddling Like Hell Underneath,” *China Leadership Monitor*, No. 45 (Fall 2014), p. 7.