Yun-han Chu

Current Positions
President, Chiang Chin-kuo Foundation for Scholarly Exchange
Professor, Department of Social Science, National Taiwan University
Board Member, Taipei Forum

Wen-cheng Lin

Current Position
Dean, College of Social Sciences, National Sun Yat-Sen University

Government Experience
Senior Advisor, National Security Council (2003-2004)

Chen-yuan Tung (Co-chair)

Current Position
Distinguished Professor, Graduate Institute of Development Studies, National Chengchi University

Government Experience
Deputy Minister, Mainland Affairs Council, Executive Yuan (2006-2008)
Kai-Huang Yang (Co-chair)

Current Position
Professor, Department and Graduate School of Public Affairs, Ming Chuan University
President, Mainland China Studies Association
Summary: Cross-Strait Relations

The overall challenges facing Taiwan in President Ma’s second term are tougher than those four years ago. Hence, political parties in Taiwan, ruling party and opposition parties alike, should humbly introspect themselves and utilize the next two years as a period of opportunity in cross-strait relations, in order to break through Taiwan’s predicament and facilitate constructive development across the Strait. President Ma should put the same emphasis on developing relations with Taiwan’s opposition parties as with the Communist Party, forge domestic consensus, build the platform for inter-party communications within Taiwan, and support multilateral dialogues among political parties across the strait, in order to promote the long-term peaceful development between Taiwan and Mainland China.

In the next four years, international politics and economy will be rapidly transformed. U.S. economic slowdown and the rapid rise of China put both countries on the dual track of cooperation and confrontation. In the security sphere, Asia is inching toward a condominium by the United States and China. On the economic front, there exists the competition between the United States and China for the leadership of economic integration in the Asia Pacific. Moreover, the global financial scheme is also being reshuffled. China has become more influential in global finance due to RMB’s rapid globalization.

Since mid-2011, the Eurozone crisis has struck Europe and the global economy. This year, the Eurozone and other developed economies bogged down in mild recessions. Asia’s economic growth is also slowing down significantly, dampening the global economic prospects in the next two years.
Although WTO’s negotiations bear no fruits, the pace for regional economic integration is accelerating. However, Taiwan is still isolated from the international society and not included in the process of regional integration. By contrast, South Korea, Taiwan’s main competitor, has signed and put into effect its FTAs with the European Union and the United States. These two FTAs will undermine Taiwan exports’ competitiveness.

There are also uncertainties and risks surrounding the United States, the South China Sea and the East China Sea. The American presidential election will be held in November. Whether or not the U.S. will change course on its China policy will affect the developments in East Asia and cross-strait relations. The South China Sea issue is becoming more and more complicated, and the disputes over competing sovereignty claims involving China, the Philippines, and Vietnam could deteriorate. In the East China Sea, energy exploitation remains an unsettled issue between China and Japan. Taiwan could be dragged into either or both conflicts. If that were the case, Taiwan should let its voice be heard and defends its interests therein, which could affect cross-strait development and East Asia stability.

Amid the rapid changes within Taiwan and around the world, Taiwan’s challenges are as follows: first of all, on the political front, there is no mutual trust and consensus among political parties. Secondly, Taiwan faces serious competition from South Korea in the global market, as well as the economic challenges posed by the currency adjustment in East Asia. Third, Taiwan cannot participate in the process of regional economic integration. Fourth, how Taiwan is to cooperate with China on non-traditional security issues? And finally, what are the implications of China’s upcoming leadership succession?
Simultaneously, the new environment inside and outside Taiwan opens some opportunities: first, no major elections will be held in Taiwan in the next two years, and China’s new leadership is also under transition. It is the best chance for ruling and opposition parties in Taiwan to seek internal consensus based on rational dialogue. Secondly, the rich diversity of Taiwan’s polity and society is conducive to a multi-faceted evaluation of the threats and opportunities posed by China’s rise.

More concretely, we recommend that President Ma put the same emphasis on building relations with Taiwan’s opposition parties, as with the Communist Party. In dealing with inter-party relations, President Ma should forge consensus within Taiwan, and the government should foster a friendly atmosphere for initiating internal consensus. The government should facilitate the dialogues among party think tanks to establish multiple communication channels for Taiwan’s political parties. The “Council for cross-strait Peaceful Development” should be established under the Presidential Office through legislation. The function of this Council is to institutionalize a platform for political party leaders and social elites to forge consensus on policy matters. The government should support the dialogue processes among political parties across Taiwan Strait and inside Taiwan, in order to allay suspicions toward political talks.

On cross-strait relations, in the short run, President Ma should complete the negotiations on four remaining issues of ECFA (Economic Cooperation Framework Agreement) as soon as possible, and initiate Taiwan’s FTA negotiations with other major trading partners. A more effective and innovative solution should be devised for Taiwanese businessmen inside China to invest in Taiwan. The government should
institute a mechanism for cross-strait monetary settlement; promote educational and cultural exchanges; deepen cooperation on environmental protection and green energy exploitation. The government should also pay attention to Taiwan’s social changes in the wake of intensive cross-strait exchanges. It should actively promote China’s democratic reform and human rights protection.

In the medium term, President Ma should seek a new model to facilitate cross-strait coexistence in international society. As a priority, Taiwan and China should engage in multiple dialogues to allow joint participation for the NGOs of both sides. At the same time, Taiwan should deepen its research on the political formula of “mutual non-recognition (on sovereignty), and mutual non-denial (on jurisdiction)” so as to resolve the problem of Taiwan’s participation in international organizations. Third, when all conditions are mature, political interactions should be initiated. This would include second track political dialogues involving the ruling and opposition parties in search of long-term solutions for cross-strait issues. Lastly, Taiwan should seek to establish a joint oil exploration and business development framework in the South China Sea with China and Vietnam, in order to defend Taiwan’s interests in the region and to highlight Taiwan’s strategic role.

Overall, amid complex external environment and severe lack of trust among political parties within Taiwan, President Ma should simultaneously forge internal consensus and explore cross-strait relations. With internal consensus on cross-strait relations at hand, President Ma would be better leveraged against China and could further strengthen the cross-strait peaceful development. To forge internal consensus on cross-strait policies
and mutual trust among political parties, President Ma should facilitate the establishment of the “Council for cross-strait Peaceful Development” under the Presidential Office through legislation. This Council can work as an institutionalized platform for party interactions, under which several functional working groups can be set up to offer recommendations.

President Ma should continue to strengthen the foundation for peaceful development through continued dialogues on economic, cultural, educational, and non-traditional security issues. Taiwan must remain conscious of the risks in dealing with cross-strait relations. Taiwan must pay attention to internal social changes and eliminate external risks at the same time, in order to protect the interest of Taiwan and peace across the Taiwan Strait. To earn Taiwan people’s general support, President Ma must expand Taiwan’s international space as his priority goal and landmark contribution in his second term.