



Cross-Strait Relations – Choreographing a future

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Dr. Narayanan's presentation began with the emphasis on the choreography of cross-strait relations between Taiwan and China. The presentation was divided into three parts; the first section covered the domestic aspects and discussed recent developments at this level both in both China and Taiwan. The second section focused on the international aspects and forces that drove China and Taiwan to come together especially in the economic front. Finally, in order to develop a theoretical framework the speaker discussed three basic approaches commonly used to analyze the whole process of Taiwan-China relations.

Exchanges between China and Taiwan started in the 1950s with the process of accommodation and this process has been in effect till the current times. While Taiwan identifies itself as a proud democracy, the Chinese political system is still controlled by a single political party. Though there are differences in political systems in the two countries close linkages were evident in the last Taiwanese Election and since then, the China factor has been affecting Taiwan's political sphere. In deeper analysis of pan blue and pan green coalition, the electoral rhetoric of candidates for presidential office were bandied around China. The DPP derives its legitimacy from 'independence' or 'independent Taiwan', but it is still unable to measure up politically with the KMT which concurs with CPC on the 'One China' principle.

The 1992 consensus between China and Taiwan made it mandatory to accept that there is only 'One China', but then each side has their interpretations to this principle. Having separate constitutions, legislatures and political systems would carry the 'One China' principle only in theory and therefore remains at variance in comparison with the case of Hong Kong. On expounding this difference, the core constituency in northern and central Taiwan is bound by an agreement among the political parties in the Pan blue coalition that mandates of the 1992 consensus cannot be violated. At one level the independent fraction in the DPP was marginalized and at another level due to the remarkable success in 2008, the KMT could marshal their resources to declare that the integration with China had progressed at a steady pace and the Economic Cooperation Framework Agreement (ECFA) which the majority of the Taiwanese are for, have more than 80% of the population preferring the status-quo of 'accommodation with China'.

The key aspect of the cross-strait relations as identified was the process of integration which is underway especially in the platform of economic integration. Therefore, the process of economic integration can be discernible from the depth of cross-strait economic interactions. China is Taiwan's single largest trade partner. Taiwan invests approximately US\$ 300 million or more as investment into the mainland. Around 38,000 small and medium industries are set by Taiwanese where 25% of overall export for the mainland come from these industries and close to a billion dollars have come to

Taiwan offshore. Increasing tourism between both the countries is leading to more of networking among people. During the annual Spring Festivals, about 2.5 million mainland tourists come to Taiwan and a total of 1000 flights operate between China and Taiwan. Similarly at the socio-economic level, the speaker argued that 50% of marriages of non-Taiwanese national and Taiwanese national were between Mainlanders and Taiwanese.

President Ma Ying-Jeou was able to get reelected because of his 'Three Nos' – no unification, no declaration of independence and no use of forces. Through these 'Three Nos', the economic and political elites of Taiwan remained in concurrence with his policies. Development of party to party relations is yet another indication of further integration between PRC and Taiwan.

The role of Washington as an external player has not only recognized the principle of 'One China' policy but has also encouraged dialogue between the two sides. However, with the changing scenario, Washington has been pushed to the periphery and in strategic terms, the eventual deal between China and Taiwan works against US' interest. If China and Taiwan were to integrate, it would turn into a Pacific power and may engage into conflicts with other Pacific powers. Straits Exchange Foundation (SEF) in Taiwan and Association for Relations across the Taiwan Straits (ARATS) of Mainland China are established to deal with the cross-strait relations. China and Taiwan are both trying to establish offices in each other's capital city. In this context, all these development have been leading to norm construction between the two.

In the next part of discussion, the speaker put forth the theoretical exercise of his study which is based on three political concepts. The first concept says that the cross-strait relation is evolving into a structure known as 'consociational democracy' which is a model formulated by Lijphart. Under this theory, the structure is based on the politics of accommodation, power sharing at elite level and participatory democracy and majoritarianism is not the central aspect. Consociational system calls for federal system with powerful local government, veto and proportional representation.

The second concept is Finlandization or 'active neutrality'. It suggests that a smaller power is willing to give consent to a larger power or superpower for its long term interest. The former makes strategic choices and behaves in a neutral manner specially when there is geographic proximity and cultural affinity with the big powers. This model was successful in Cold War era as it undermined Soviet expansion in Finland. It is rather a weak concept in cross-strait relations especially with lack of neutrality in Taiwan's position.

The third theoretical concept was 'integration theory', based on *transactionlist* and *neo-functionalism*. Transactionalism is the attainment of ideal within a territory based on the transaction. This process of integration is a multipronged process of integration and is similar to the case of the EU.

In the final section, the cross-strait relations have undergone a process of economic integration but political separation. Though there is a strong support for the integration from the Taiwanese, the paradox of it is in the recognition Taiwan which is based on its very existence as a separate state. The neo-functionalist approach is applicable and could be applied to ECFA (*Cross-Straits Economic Cooperation Framework Agreement*), which had brought dividend into the Taiwanese economy.

However, some more factors need to be identified which are needed for economic integration like common ECFA (free trade area) a joint customs area, common market, economic union – common currency, and finally, common banking system. As the process of integration has already come quite a distance, it cannot be reverted back to its initial phase. Added to this, when economic integration has

enmeshed the two sides, the prospects for political integration would be inevitable. Finally, Cross-strait relation has created to greater interdependence between China and Taiwan.

Discussion

The Speaker mentioned that the identity issue was very important but then again the concept of identity in Taiwan is itself fractured. The identities of the younger generation of Taiwanese youth have been dominated by their Taiwanese born parents and the democratic system. Nonetheless, despite these cleavages, accommodation with mainland has been sought after more by the younger generation of Taiwanese. The younger generation also view Japan as an ideal model rather than China, and believe that if Taiwan should succeed then it would be due to Japan's generosity. One of the participants endorsed the speaker's idea of the integration theory but stressed that all three models could be adopted in a step by step process rather than picking one and ruling out the other under an "either/or" situation. In response to this, Taiwan's democracy has been loud and the voices of independence have been only restricted to local media.

On the query of provinces, the speaker mentioned that China was creating its own subsystem which at one level, the country integrated with the world as a single unit and at the other level, the provinces interacted with foreign players on its own. China's foreign economic policy reflects the creation of an economic system that is not being held hostage by powers from beyond. The idea here involves more people, particularly those who have been left out and those in the eastern provinces. By tracing the past trends, China would ultimately want a 'federal economic union' where provinces will be competing with each other. If China and Taiwan can achieve such an integrated system then it will be considered as a big contribution to political theory but on the other hand if the integration does take place, then the Taiwanese identity will be taken as a short-lived episode.

Finally the talk concluded by the emphasis on the concept of 'consociationalism' was not only applicable for democracy but also relevant in social terms where ethnic vulnerable and marginalized sections were being accommodated.

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