

Domestic Politics and Cross-Strait Relation: A Synthetic Perspective

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With the Democratic Progressive Party (DPP) elected to power in 2016 the Taiwan Strait has again become a flashpoint for potential military conflict. The DPP's refusal to recognize the "one China principle" embodied in the "1992 consensus" despite repeated warnings by the heavyweights of the Chinese Communist leadership and the election of Donald Trump into the White House with his stern anti-China rhetoric and policies radically changed the parameters of cross-Strait relation. The prospect of war in the Strait increases significantly. But is a war really possible? For this we need to take stock of the literature on cross-Strait relation (CSR).

Literature and Findings

The literature on cross-Strait relation has proliferated over the years.¹ Three dimensions of investigation are prominent: *cross-Strait interaction*, *domestic politics*, and *international environment* (see Figure 1). Under the rubric of *cross-Strait interaction* one finds divided-nation model (with the two Germanys and two Koreas as major examples)², integration theory (European Union is the most relevant contemporary

¹ Three edited volumes specifically address the theoretical development in cross-Strait studies: Tzong-Ho Bau and Yu-Shan Wu, Eds., *Zhengbian Zhong De Liang'an Guanxi Lilun (Contending Theories in the Study of Cross-Strait Relations)* (Taipei: Wu-nan, 1999); Tzong-Ho Bau and Yu-Shan Wu, Eds., *Chongxin Jianshi Zhengbian Zhong De Liang'an Guanxi Lilun (Revisiting Theories on Cross-Strait Relations)* (Taipei: Wu-nan, 2009); Tun-jen Cheng, Chi Huang, and Samuel S.G. Wu, Eds., *Inherited Rivalry: Conflict Across the Taiwan Straits* (Boulder, CO: Lynne Rienner, 1995). For a summary of the different approaches, see Yu-Shan Wu, "Theorizing on Relations across the Taiwan Strait: Nine Contending Approaches," *Journal of Contemporary China*, Vol. 9 (2000), pp. 407-428. Also see Nancy Bernkopf Tucker, Ed., *Dangerous Strait: The U.S.-Taiwan-China Crisis*. (New York: Columbia University Press, 2005) for a compendium of different approaches to cross-Strait relations without an emphasis on theoretical models.

² Such as Ya-chung Chang, "Liang'an Guanxi De Guifanxing Yanjiu: Dingwei Yu Zouxiang" ("Normative Analysis of Cross-Strait Relations: Orientation and Trend"), in Tzong-Ho Bau and Yu-Shan Wu, Eds., *Chongxin Jianshi Zhengbian Zhong De Liang'an Guanxi Lilun (Revisiting Theories on Cross-Strait Relations)* (Taipei: Wu-nan, 2009); Shaocheng Tang, "A Comparison between Intra-German Relations in the 1970s and Cross-Strait Relations since 2008," *Issues & Studies*, vol. 46, no. 4 (December 2010), pp. 1-36; and Jaushieh Joseph Wu, ed., *Divided Nations: The Experience of Germany, Korea, and China* (Taipei: Institute of International Relations, 1995).

case)³, power asymmetry paradigm (that compares cross-Strait relation with that between Russia and other former Soviet republics)⁴, and historical analogy (such as a comparison with Ming Zheng vs. Qing Dynasty).⁵ For *domestic politics* one finds the political competition model that emphasizes the importance of elections and political successions⁶, state-society approach that draws attention to the economic factor and how politics is affected by interest groups and economic calculations⁷, identity and

³ See Lang Kao, “Cong Zhenghe Lilun Tansuo Liangan Zhenghe De Tiaojian Yu Kunjing” (“Exploring the Conditions and Dilemma of Cross-Strait Integration in the Perspective of Integration Theory”), in Tzong-Ho Bau and Yu-Shan Wu, Eds., *Zhengbian Zhong De Liang’an Guanxi Lilun* (Contending Theories in the Study of Cross-Strait Relations) (Taipei: Wu-nan, 2004); Shu Keng, “Understanding Integration and “Spillover” across the Taiwan Strait,” in Gunter Schubert and Jens Damm, eds., *Taiwanese Identity in the Twenty-first Century* (Oxon, UK: Routledge, 2011), pp. 155-175; and Gang Lin, “Beijing’s New Strategies toward a Changing Taiwan,” *Journal of Contemporary China*, vol. 25, no. 99 (2016), pp. 321-335.

⁴ For example, Yu-Shan Wu, *Kangheng Huo Hucong: Liang’an Guanxi Xinquan* (Balancing or Bandwagoning: Cross-Strait Relations Revisited) (Taipei: Cheng-chung, 1997) and Yu-Shan Wu, “Quanli Bu Duicheng Yu Liang’an Guanxi” (“Power Asymmetry and Cross-Strait Relations”), in Tzong-Ho Bau and Yu-Shan Wu, Eds., *Chongxin Jianshi Zhengbian Zhong De Liang’an Guanxi Lilun* (Revisiting Theories on Cross-Strait Relations) (Taipei: Wu-nan, 2009); Charles Chong-Han Wu, “Taiwan’s Hedging against China: The Strategic Implications of Ma Ying-Jeou’s Mainland Policy,” *Asian Survey*, vol. 56, no. 3 (2016), pp. 466-487.

⁵ For example the various chapters in Yu-Shan Wu, Ed., *Zhongguo zaiqi: lishi yu guoguan de duihua* (Resurgence of China: A dialogue between History and International Relations) (Taipei: Research Center for Confucianism in East Asia, Institute for Advanced Studies in Humanities and Social Sciences, National Taiwan University, 2018).

⁶ See Yu-Shan Wu, “Taiwan’s Domestic Politics and Cross-Strait Relations,” *The China Journal*, no. 53 (January 2005), pp. 35-60; Yu-Shan Wu, “The Evolution of the KMT’s Stance on the One China Principle,” in Gunter Schubert and Jens Damm, eds., *Taiwanese Identity in the Twenty-first Century* (Oxon, UK: Routledge, 2011), pp. 51-71; Yu-Shan Wu, “Domestic Political Competition and Triangular Interactions Among Washington, Beijing and Taipei: The U.S. China Policy,” *Issues and Studies*, vol. 42, no. 1 (March 2006), pp. 1-46; Richard C. Bush, *Untying the Knot: Making Peace in the Taiwan Strait* (Washington, D.C.: Brookings Institution Press, 2005), Ch. 6: Domestic Politics and Cross-Strait Relations, pp. 142-198; and Yu-Shan Wu, “Does Chen’s Election Make Any Difference? Domestic and International Constraints on Taipei, Washington, and Beijing,” in Muthiah Alagappa, ed., *Taiwan’s Presidential Politics: Democratization and Cross-Strait Relations in the 21st Century* (Armonk, New York: M.E. Sharpe, 2001), pp. 155-192.

⁷ See Chen-yuan Tung, “Cross-Strait Economic Relations: China’s Leverage and Taiwan’s Vulnerability,” *Issues & Studies*, vol. 39, no. 3 (September 2003), pp. 137-175; Kevin Tze Wai Wong, “The Emergence of Class Cleavage in Taiwan in the Twenty-First Century: The Impact of Cross-Strait Economic Integration,” *Issues & Studies*, vol. 46, no. 2 (June 2010), pp. 127-172; Shu Keng and Gunter Schubert, “Agents of Taiwan-China Unification? The Political Role of Taiwanese Business People in the Process of Cross-Strait Integration,” *Asian Survey*, vol.50, no.2 (March/April 2010), pp. 287-310; and Tse-Kang Leng, *The Taiwan-China Connection: Democracy and Development Across the Taiwan Straits* (Boulder, Colo.: Westview, 1996).

social psychology theories that lay emphasis on dueling identities and nationalisms⁸, and “two-level” games that stresses the interaction between domestic and external factors.⁹ Finally, under *international environment* dimension one finds asymmetrical strategic triangle that stresses the interactions among Washington, Beijing and Taipei¹⁰, theories on the emergent bi-polar international system and its impact on cross-Strait relation¹¹, and constructivism that introduces ideational factors into the equation.¹²

⁸ For example, Hsin-Hsin Pan, Wen-Chin Wu, and Yu-Tzung Chang, “How Chinese Citizens Perceive Cross-Strait Relations: Survey Results from Ten Major Cities in China,” *Journal of Contemporary China*, vol. 26, no. 106 (2017), pp. 616-631; Lowell Dittmer, “Taiwan as a Factor in China’s Quest for National Identity,” *Journal of Contemporary China*, vol. 15, no. 49 (November 2006), pp. 671-686; and Timothy S. Rich, “Chinese Nationalism and Cross-Strait Relations in the Post-War Era,” *International Journal of Asia Pacific*, vol.7, no.2 (July 2011), pp.1-18; Wan-Ying Yang, “The China Complex in Taiwan: The Tug of War Between Identity and Interest,” *Issues & Studies*, vol. 52, no. 1 (March 2016), 1650002-1~1650002-34; Rou-lan Chen, “Reconstructed Nationalism in Taiwan: A Politicised and Economically Driven Identity,” *Nations and Nationalism*, vol. 20, no. 3 (June 2014), pp. 523-545; Huang, Chin-Hao, and Patrick James. “Blue, Green or Aquamarine? Taiwan and the Status Quo Preference in Cross-Strait Relations.” *The China Quarterly*, 219 (2014), pp. 670-692; Chi-hung Wei and Christina Lai, “Identities, Rationality and Taiwan’s China Policy: The Dynamics of Cross-Strait Exchanges,” *Asian Studies Review*, vol. 41, no. 1 (2017), pp. 136-154; and Yu-Shan Wu, “Taiwanese Nationalism and Its Implications: Testing the Worst-Case Scenario,” *Asian Survey*, vol. 44, no. 4 (July/August 2004), pp. 614-625.

⁹ See Jih-Wen Lin, “The PRC as a Player in Taiwan’s Domestic Politics: A Two-Level Game Analysis,” in Gunter Schubert, ed., *Taiwan and the “China Impact”: Challenges and Opportunities* (New York: Routledge, 2016), pp. 15-35; Scott L. Kastner, “Is the Taiwan Strait Still a Flash Point? Rethinking the Prospects for Armed Conflict between China and Taiwan,” *International Security*, vol. 40, no. 3 (Winter 2015/16) pp. 54-92; and Jih-wen Lin, “Two-Level Games Between Rival Regimes: Domestic Politics and the Remaking of Cross-Strait Relations,” *Issues and Studies*, vol. 36, no. 6 (November/December 2000), pp. 1-26.

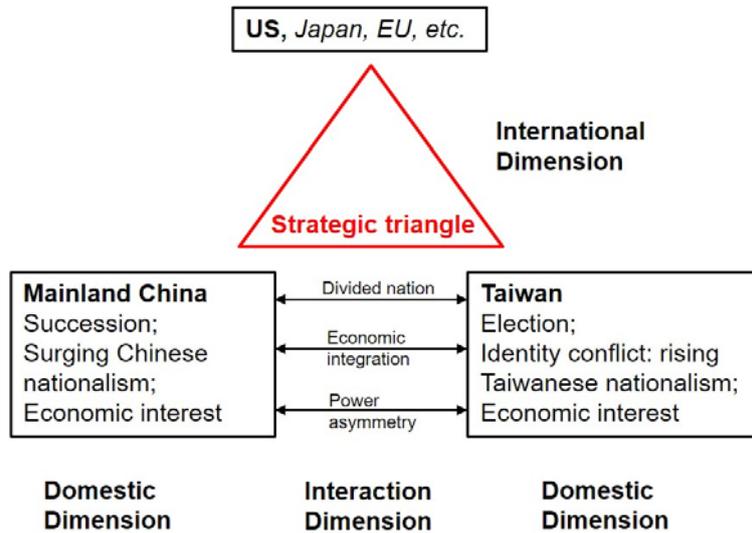
¹⁰ For example, Yu-Shan Wu, “Pivot, Hedger, or Partner: Strategies of Lesser Powers Caught between Hegemons,” in Lowell Dittmer, ed., *Taiwan and China: Fitful Embrace* (Berkeley: University of California Press, 2017), pp. 197-220; Yu-Shan Wu, “From Romantic Triangle to Marriage? Washington-Beijing-Taipei Relations in Historical Comparison,” *Issues and Studies*, vol. 41, no. 1, (March 2005), pp. 113-159; Jeff Oliver, “Ménage à Taiwan,” *Foreign Policy*, no. 151 (November/December 2005), pp. 88-89; and Yasuhiro Matsuda, “Taiwan in the China-Japan-US Triangle,” in Gerald Curtis, Ryosei Kokubun, and Wang Jisi, eds., *Getting the Triangles Straight: Managing China-Japan-US Relations* (Tokyo: Japan Center for International Exchange, 2010), pp. 123-143.

¹¹ See David Kang, “Hierarchy and Stability in Asian International Relations,” *American Asian Review*, vol. 14, no. 2 (Summer 2001), pp. 121-160; David Kang, “The Theoretical Roots of Hierarchy in International Relations,” *Australian Journal of International Affairs*, vol. 58, no. 3 (September 2004), pp.337-352; and Amitav Acharya, “International Relations Theory and Cross-Strait Relation,” *Prospect Quarterly*, vol. 1, no. 4 (October 2000), pp. 1-23.

¹² Such as Ching-Chang Chen, “Understanding the Political Economy of Cross-Strait Security: A Missing Link,” *Journal of Chinese Political Science*, vol. 15, no. 4 (January 2010), pp. 391-412; Yi Yuan, “Anquan Dianzhi Yu Mei ‘Zhong’ Guanxi: Yige Renzhishequnlun De Fenxi Jiagou” (“The Security Regime and U.S.-PRC Relations: An Analytical Framework of Perception Community”) in Tzong-Ho Bau and

Figure 1

Theoretical approaches to CSR



The insights of the theories and models in the literature help us to identify several major forces that act to tilt the balance towards *unification*, *independence*, or *status quo* (a middle point between unification and independence) in Taiwan (see Figure 2). The legal framework of the two sides posits a divided-nation status with an inherent tilt toward national unification. This tendency is reinforced by cross-Strait economic integration. Massive economic interests on both sides push for further integration, following the logic of “spillover” from the economic to the political realm. In the other direction we find forces agitating for breaking away from mainland China. Increasing power asymmetry deepens Taiwan’s anxiety and fear of forced absorption into the Chinese mainland. Rising exclusive Taiwanese identity undermines the legitimacy of cross-Strait unification and agitates for a “new and independent nation.”

These four forces pull the balance toward either unification or independence. Their political representatives are the Blue camp (pro-unification or at least status quo) and the Green bloc (pro-independence or at least status quo). The constitutional structure

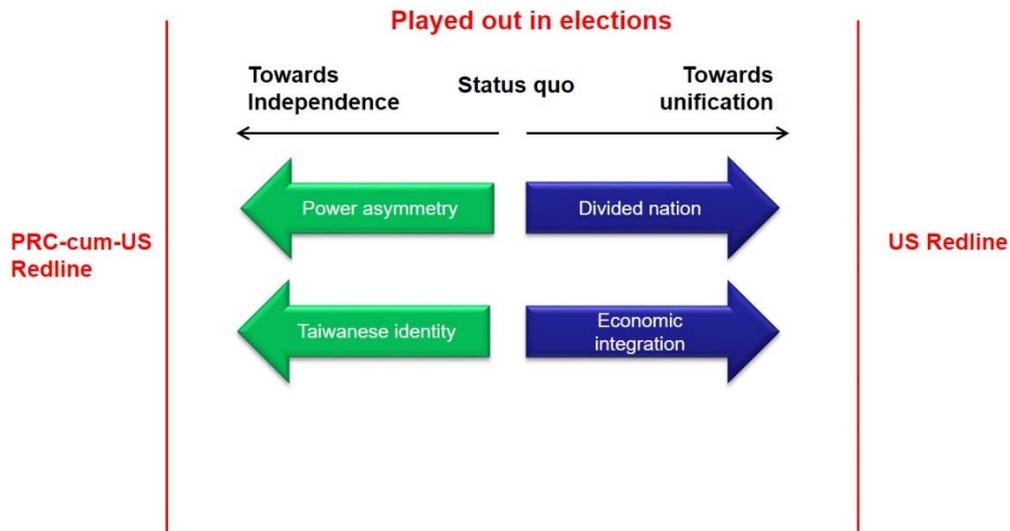
Yu-Shan Wu, eds., *Zhengbian Zhong De Liang'an Guanxi Lilun (Contending Theories in the Study of Cross-Strait Relations)* (Taipei: Wu-nan, 1999); and Yi Yuan, “Guifan Jiangou Zhuyi Yu Liang'an Guanxi: Lilun Yu Shijian” (“Normative Constructivism and Cross-Strait Relations: Theory and Practice”), in Tzong-Ho Bau and Yu-Shan Wu, eds., *Chongxin Jianshi Zhengbian Zhong De Liang'an Guanxi Lilun (Revisiting Theories on Cross-Strait Relations)* (Taipei: Wu-nan, 2009).

of the Republic of China makes the president the preeminent power holder and the premier (President of the Executive Yuan) the first presidential lieutenant. As such it is always the presidential election (now synchronized with the parliamentary election) that determines which party (camp, bloc) wields political power, and which direction the country tilts toward. The Kuomintang (KMT) that dominates the Blue camp typically leads the nation towards further integration with the mainland, while the DPP leads in the diametrically opposite direction.¹³

Cross-Strait relation is not simply determined by the domestic forces acting on the two tendencies. External factors need to be included in the equation. There are two redlines that define the room of permissible maneuverability for Taiwan. On the unification side the US implicitly draws a redline that prevents Taipei from embarking on an irreversible slide into the arms of Beijing. On the independence side, the PRC makes an explicit threat to use force against Taiwan if the latter declares independence. As in such scenario the US is highly likely to be dragged into an armed conflict with the PLA, Washington also makes it known that it has no obligation to help defend Taiwan if it provokes Beijing by declaring independence, hence the redline on the independence side is enforced by both superpowers.

¹³ See Yu-Shan Wu, “Cross-Strait Dialogue and Policies,” in Gunter Schubert, ed., *Routledge Handbook of Contemporary Taiwan* (Abingdon, UK: Routledge, 2016).

Figure 2
Taiwan: Torn Apart



Election and Political Succession

The discussion of the impact of election (Taiwan) and political succession (for Chinese mainland) on cross-Strait relation is particularly fruitful. Although operating in different political systems, policy makers in both mainland China and Taiwan are power-maximizers. They are interested in safeguarding their positions by fending off attacks by their political rivals. The incumbents may find themselves in either *strong* or *weak* power position, with different implications for their decision making behaviors. When it comes to external policy making, a *strong* incumbent is not worried about being attacked by domestic political rivals and thus can concentrate on external relations per se. However, if he is in a *weak* position, then he may find himself vulnerable to attack by domestic rivals and thus has to be “tough” in external relation posturing. Thus the crux of the matter is “only the strong can appear weak; the weak has to appear strong.” In short, there is an inverse relationship between the incumbent’s power position and his external policy leeway and posturing.

How is the incumbent’s power position determined in different political systems? China has a communist one-party system while Taiwan is a multi-party democracy. Both systems have been institutionalized to such an extent that one can safely identify

the time periods in their respective political cycles in which the incumbent is relatively safe in his power position (lack of political competition) or particularly vulnerable (in intense political competition). This means we can use the time period in which the incumbent finds himself in the political cycle to determine his power position, and then predict whether he is more likely to take a tough or measured stance toward the other side in cross-Strait relation. So we have: stage in political competition (determined by system) → incumbent's power position → cross-Strait posturing.

How does political system determine cycle of political competition? In China's one-party system, the general secretary is weak right after inauguration, as political succession is arranged behind closed doors and not determined by popular vote. A process of consolidation is needed for the general secretary to be secure in power, hence the two stages in the PRC's political cycle: *power transition* and *power consolidation*. In Taiwan's multi-party system, the president is vulnerable when facing election, but secure in power after winning election, hence the two stages in the ROC's political cycle: *electoral period* vs *inter-electoral period*.

Since the 1990's, Taiwan typically took initiative in cross-Strait relation by shifting between positions. This is primarily because of three reasons: frequent power turnovers between political camps (three times), deep schism within the KMT (Lee Teng-hui vs. Lien Chan and Ma Ying-jeou), and China still not strong enough to set the agenda. As this has been the case (at least until the inauguration of Xi Jinping and the emergence of the most recent conflictual relationship across the Strait), we shall concentrate on how Taipei shifts its position and how Beijing responds.

Generally speaking, during electoral period Taiwan's president cannot afford to appear weak against the mainland for fear of losing votes. There is a particular need for a Green president to galvanize his political base by defying pressure from Beijing when faced with electoral challenge. During inter-electoral period, a Taiwan president is more capable to concentrate on CSR per se, hence taking policies that are reflective of the national needs under the current circumstances. This typically means more amicable posturing toward the mainland. There is also a general tendency for the Taiwan president in his second term to be concerned with historical legacy, hence more CSR posturing on ideological ground. This typically means a staunch defiant gesture toward Beijing by a second-term DPP (or a pro-independence) president. By combining the

impact of political cycle (electoral vs inter-electoral period) and term (first or second) on CSR, we find the following (see Table 1).

Table 1
Taiwan President's Assertiveness versus Mainland China

	Inter-electoral period Low	Electoral period High
First term Low	Low <i>Level 1</i>	Median assertive <i>Level 3</i>
Second term High	Moderately assertive <i>Level 2</i>	Highly assertive <i>Level 4</i>

On the mainland Chinese side, we have posited that during the power transition period, the CCP's general secretary is weary of his own power position, and would thus take preventive actions to stave off possible attacks by political rivals, hence tough stance vis-à-vis Taiwan. This means lukewarm response to Taiwan's cooperative gesture for fear of being deceived, and strong reaction to Taiwan's provocations to preempt domestic criticism. During the power consolidation period, the CCP general secretary would favorably respond to Taiwan's overtures (because he can afford to play "sucker" in game theoretical terms), and can contain his negative reactions to Taiwan's provocations. These gestures are rooted in the general secretary's more comfortable power position. It is not always clear when the transition period has phased into the consolidation stage in the CCP's political cycle. Some general secretary needs more time to consolidate power than others. We can use leadership capacity, relation with the military, governance strength, and degree of competition to determine whether a general secretary has consolidated his power, as can be seen in Table 2.

Table 2
Power Transition and Power Consolidation

	Transition	Consolidation
Leadership	Acquisition of de jure leadership position	Capable of making decisive decisions based on personal authority
Military	Endorsement by military	Removal of leftovers and appointment of protégés
Governance	Experience of governance	Capable of setting the party's ideological line
Competition	Relative more resources than competitors	Holding overwhelming advantage over competitors

Source: Adapted from Bachman, "Succession, consolidation and Transition in China's Future," *Journal of Northeast Asian Studies*, vol. 15, no. 1 (1996), p. 104.

If we put together the two perspectives from the above analysis on China and Taiwan, then we can come up with a best scenario and a worst scenario. The former is composed of two favorite conditions: Taiwan's low assertiveness and China's soft stance. The latter is composed two unfavorable conditions: Taiwan's high assertiveness and China's hard stance. When Taiwan is in the inter-electoral period and China in the consolidation phase, then we get the best scenario. When Taiwan is in the electoral period and China in the transitional phase, then we get the worst scenario. In the following discussion, we will use empirical data from 1989 to 2012 to test the hypotheses laid out above.

Empirical Investigation: 1989-2012

In order to test the above assumptions, we identify 19 major cross-Strait events during the 1989-2012 period.¹⁴ These events marked significant turns in the bilateral relationship. They prompted official interactions, brought about changes in policy

¹⁴ For the empirical data, this paper draws on Kuan-Wu Chen and Yu-Shan Wu, "Power Position and Taiwan Policy: How Beijing Responds to Taipei's Stimuli During the Jiang Zemin and Hu Jintao Periods," *Journal of Contemporary East Asia Studies*, vol. 6, no. 2 (October 2017), pp. 132-152.

statements, and received widespread attention. The identification and investigation of those events is made possible by a thorough reading of *Renmin Ribao* and *Jiefangjun Bao* for the period covered by the study, field interviews with scholars in mainland China and Taiwan, and consulting existing literature. The 19 events are shown in Table 3.

Table 3
Nineteen Major Cross-Strait Events (1989-2012)

Number	Event	Time
1	Kinmen Accord	1990.9.12
2	Guidelines for National Unification	1991.2.23
3	One-China, Respective Interpretations	1992.8.1
4	The Koo-Wang Talks	1993.4.27
5	Jiang's eight-point proposal	1995.1.30
6	President Lee's private visit to U.S. (Taiwan Strait Crisis)	1995.5.22-1996.3
7	The Second Meeting between Koo and Wang	1998.10.14-18
8	Two-State Theory	1999.7.9
9	Mini-Three-Links	2001.1.1
10	New "One China Three-Sentences"	2002.3.5
11	One Country on Each Side	2002.8.2
12	Cross-Strait Lunar New Year Chartered Flights	2003.1.26
13	Defensive Referendum	2004.3.20
14	Anti-succession Law	2005.3.14
15	Cease to Apply The National Unification Guidelines	2006.2.27
16	Four Imperatives and One Non-issue	2007.3.4
17	Direct Cross-Strait Transport Links	2008.11.4
18	Hu's six proposals on Taiwan	2008.12.31
19	ECFA	2010.6.29

We then measure Beijing’s responses to Taipei’s moves in the 19 events using a Cross-Strait Interaction Index (CSII) scale that runs from 6 to -6. The highest score (6) denotes *active reciprocation* in the form of “end of cross-Strait hostilities and signing of a peace accord.” The lowest score (-6) denotes *aggressive retaliation* in the form of “outbreak of direct military confrontation.” Cross-Strait interactions that fall between signing a peace accord and outbreak of military confrontation are given a score between 6 and -6. The CSII measurement is specified in Table 4.

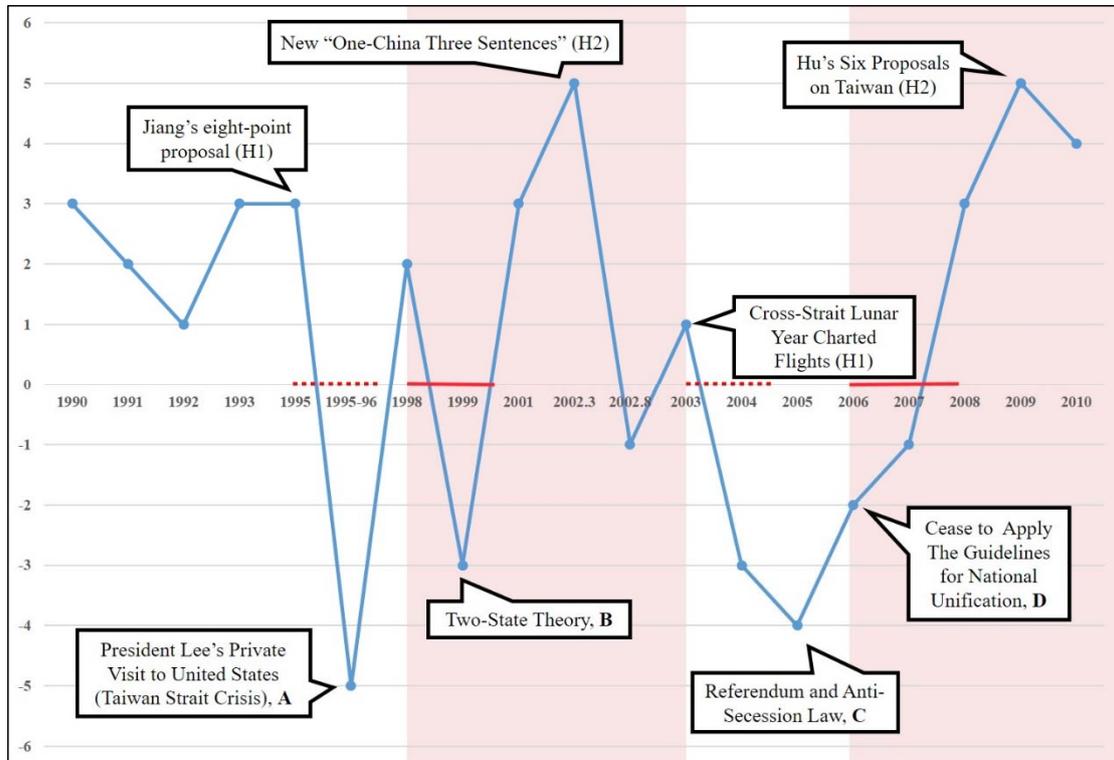
Table 4
Cross-Strait Interaction Index

Description	Cross-Strait Interaction Index	Characterization
End of cross-Strait hostilities and signing of a peace accord	6	Active reciprocation
A Declaration that recognizes the status quo as divided governance	5	Active reciprocation
Signing of significant non-political agreement	4	Active reciprocation
Reaching important administrative agreement, or advocacy of historic engagement	3	Limited reciprocation
Reciprocation by full state-level (zhengguojl) leader(s)	2	Limited reciprocation
Reciprocation by sub-full state-level official(s)	1	Limited reciprocation
Medium	0	No response
Rebuttal by sub-full state-level official(s)	-1	Limited Retaliation
Rebuttal by full state-level leader(s)	-2	Limited Retaliation
Freezing or abrogation of cross-Strait cooperation or agreement	-3	Limited Retaliation
Major declaration with military implications	-4	Aggressive Retaliation
Military maneuver with intent to change the status quo (drill, etc)	-5	Aggressive Retaliation
Outbreak of direct military confrontation	-6	Aggressive Retaliation

By applying the CSII measurement to the 19 events, we get Figure 3 that shows the ups and downs of cross-Strait relationship in 1989-2012. It can be seen that there were four periods of high confrontation:

- A. 1995-96 Lee’s visit to US/Missile scare;
- B. Lee’s “Two-State Theory” of 1999;
- C. Chen’s 2003-04 Defensive Referendum & Resultant Anti-Secession Law;
- D. 2006-07 Abolition of National Unification Guideline/New Constitution/Joining UN under “Taiwan”

Figure 3
Fluctuations of CSR: Highs and Lows



All four cases have to do with Taiwan's presidential elections. In Figure 3, dotted red bars show first-term electoral periods, while solid bars show second-term electoral periods. It can be seen that A, B, C, D are associated with the presidential elections of 1996, 2000, 2004, and 2008 respectively. Lee's "private visit" to his alma mater in the US was designed to boost his chances of reelection. The missile scare of 1995-96 ensued. In 1999 Lee's "Two-State Theory" that he announced in his interview by *Der Spiegel* had to do with pre-electoral maneuvering as well as Lee's pro-independence ideological agenda that had become obvious toward the end of his rule. A crisis was created and Beijing invited the US to put pressure on Taiwan and to "co-manage" the critical situation. Cross-Strait relation sank to a new low when Chen Shui-bian manipulated the referendum issue in the run-up to the 2004 presidential election. That directly led to the 2005 Anti-Secession Law that threatened military invasion of Taiwan if it declares independence, among other conditions. Finally from 2006 on Chen jacked up the DPP's dark-Green base by making the Unification Council "cease to function" and the Guidelines for National Unification "cease to apply." It had to do with electoral mobilization and Chen's concern over his historical legacy. It invited harsh rebuttals from mainland Chinese officials.

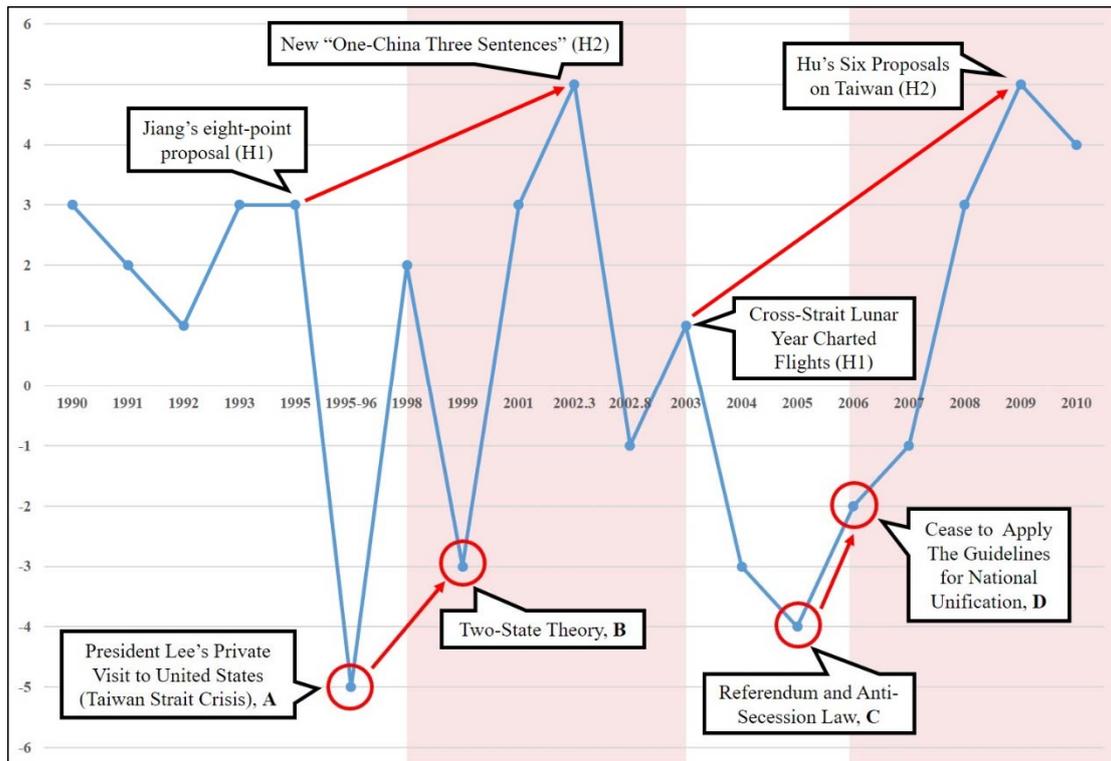
It is interesting to note that second-term presidents are more assertive than first-term presidents, hence Lee's Two-State Theory (B) in his second term was a more serious challenge to the status quo than his visit to the US (A) in his first term. Chen's manipulation of the issue of the new constitution and abolition of the mechanisms for unification in his second term (D) also dwarfed his flirting with defensive referendum in his first term.

However, Beijing's responses to those provocations did not match the degree of challenge, and we have $R(A) > R(B)$, $R(C) > R(D)$, even though $B > A$, and $D > C$. The reason is even though A and C are less confrontational, they fell in the power transition periods for General Secretary Jiang Zemin and Hu Jintao, hence prompting aggressive responses from the newly inaugurated general secretary. Jiang in 1995-96 (A) and Hu in 2003-04 (C) could ill afford to appear weak in the face of a major provocation from Taiwan, hence the missile scare and the Anti-Secession Law. While even B (Two-State Theory) and D (abolishing mechanisms of unification) are more provocative to Beijing, Jiang and Hu could respond in a measured way for they had consolidated their power by then.

The inverse relationship between the power position of the general secretary and his stance on Taiwan is not only present in the negative realm, but also in the positive realm. In Figure 4, the consolidation period is separated from the transition period with a colored background. If we compare the highs and lows in different periods of the political cycle for the same general secretary, then we find in consolidation the general secretary always responds with greater enthusiasm to Taiwan's friendly gesture, hence the upswing vectors in the positive realm, and with constrains to Taiwan's provocations, hence also upswing vectors in the negative realm.

Figure 4

Power and External Stance: Inversely Related



Conclusion and Look into the Xi Era

Our study shows that domestic political competition has a significant impact on cross-Strait relation. Even though Taiwan and mainland China have quite different political systems, incumbent political leaders are all interested in maximizing their power and staving off criticism. Their power position determines how much attention they should put on fending off political challenge, and how much they can concentrate on decision making per se. In terms of cross-Strait relation, the president in Taiwan and the CCP's general secretary in mainland China are domestically vulnerable when they find themselves in weak power position, and thus have to appear tough toward the other side. Their different political systems determine political cycles in which they find themselves. In Taiwan the president in electoral period is much weaker than in inter-electoral period, hence the need to appear defiant against Beijing's pressure in the run-up to the presidential election. A second-term president may have ideological reason to be even tougher, thus the electoral period of a second-term president typically witnesses the highest assertiveness against the Chinese mainland. On the mainland side, the general secretary is much weaker in transition than in consolidation, which means he

would respond conservatively to Taiwan's friendly gestures and retaliate harshly against Taiwan's provocations during transition, but would engage Taiwan more enthusiastically when receiving positive signals and constrains his reactions when negative signals come after his power has been consolidated. We can thus come up a best scenario and a worst scenario. The former is composed of Taiwan's first-term inter-electoral period and China's political consolidation; and the latter is composed of Taiwan's second-term electoral period and China's political transition.

A total of 19 significant cross-Strait events in 1989-2012 are selected, then measured against the Cross-Strait Interaction Index. By looking into the resultant pattern of ups and downs in cross-Strait relation, we find our hypotheses borne out. All the four major conflictual events are initiated by a defiant Taiwan president during electoral periods. Although their assertiveness against Beijing was greater in their second-term than first-term, China's response was inversely related to the provocation it received. The reason is a weaker general secretary has to respond harshly against Taiwan's provocation when he is in transition and thus weak, but can respond in a measured way when he is in consolidation and thus strong. The disjunction of the two political cycles caused this inverse reaction mode.

With rapid consolidation of power, Xi Jinping was able to fend off domestic criticism and meet Ma Ying-jeou during the general secretary's first term in office. Ma's friendly gestures were generously reciprocated, even when the Taiwan president had been lamb ducked at the time of the Singapore meeting with the CCP's general secretary. Later on Xi was even able to scrap term limits for state president in 2018 which indicates his intension to stay in power after 2022. According to our study, strengthening of the general secretary's power position makes Xi more responsive to Taiwan's overtures and measured in his response to Taiwan's provocations, hence conducive to cross-Strait stability. At the same time, Taiwan is moving into its electoral period and the possibility of invoking the identity issue, and mobilizing the incumbent DPP's political base is high.

However, the above is based on the interaction pattern in the past two-plus decades, when the PRC was not strong enough to set the agenda, and Taiwan took the initiative. China under Xi has changed those parameters. Beijing is more and more capable to set the agenda in favor of "solving the Taiwan issue." Hence, even though Xi's power consolidation is conducive to cross-Strait stability (compared with when he is weak in

the transitional period), the ever-enlarging power gap between mainland China and Taiwan bodes ill for cross-Strait stability, but that goes beyond the scope of this paper.