Speech delivered on 13 January 2012 at the public discussion "Cross-Strait Relations in 2012: Leadership Changes and Security Implications" organized by the Association for International Affairs (AMO), Prague

Impact of Taiwan's 2012 presidential election and Chinese new leadership on the Cross-Strait relations

Introduction

Since Ma Ying-jeou assumed the presidency in 2008, relations across the Taiwan Strait improved dramatically. In the past 4 years, 16 agreements have been signed in 7 rounds of negotiation on practical matters that have largely benefited the people on both sides of the Strait. Cooperation is taking place between government bureaucracies on both sides of the Strait in many areas, including crime fighting by law enforcement agencies, establishment of a cross-Strait medical emergency hotline, search-and-rescue exercises by coast guards and local maritime agencies, food safety control and nuclear power plant safety, etc. Habits of cooperation are being formed that could pave the way for discussion of sensitive political and military issues in the years to come.

The presidential election in Taiwan, scheduled for January 14, 2012, will have a significant impact on the cross-Strait situation regardless of the outcome. If President Ma is re-elected for a second term, Beijing and Washington should evidently welcome and be confident that the cross-Strait relations will be in stable progress.

If a victory by the Democratic Progressive Party (DPP) candidate, Tsai Ing-wen, would create different challenges. Tsai refuses to accept the two pillars on which mainland China has based its willingness to engage with Taipei: the 1992 Consensus on "one China" and opposition to Taiwan's independence. In the event that Beijing and Taipei were unable to agree on a new formulation to guide their relationship, it is possible that cross-Strait interaction would slow and negotiations would cease. In a worst-case scenario, tensions that characterized the era of the first DPP president, Chen Shui-bian (2000-2008), could reemerge.

Beijing is watching the presidential campaign in Taiwan with great concern, and China's leadership is pessimistic about the prospects for maintaining cross-Strait stability and progress if DPP returns to power. While mainland China recognizes that a second Ma term would not necessarily produce a peace accord or other agreements that would bring reunification closer, it has confidence that Ma would continue to eschew independence, and thus cross-Strait stability and predictability would be preserved.

Much is at stake fort the United States in Taiwan's upcoming elections. Washington has a strong interest in the conduct of a free, fair, and open presidential election in Taiwan, not in supporting any particular candidate. At the same time, sustaining cross-Strait peace and stability is especially critical as the United States manages friction with Beijing on a broad range of economic, political, and security issues.

Beijing's current Taiwan policy is likely to remain in place as the Mainland China begins a transition from the so-called fourth-generation leadership headed by President and Party General Secretary Hu Jintao and Premier Wen Jiabao to the fifth generation leadership headed by Xi Jinping and Li Keqiang. This shift, which will formally begin in 2012, may be accompanied by leadership

changes in the other two polities that matter most for cross-Strait relations, with the presidents in Taiwan and in the United States both facing reelection challenges. Given the crisis history of cross-Strait relations during much of the last decade and a half, the common connection between changes in leadership and changes in policies, and the risk of an adverse reaction in Beijing to the content or outcome of the presidential campaign in Taiwan, the relatively bright prospects for sustaining current cross-Strait policies are a reflection of the remarkably strong—but still possibly insufficient to prevail—interests and preferences favoring continuity and stability in China's Taiwan policy.

I. Taiwan's 2012 presidential election and Cross-Strait Relations

1. If current ruling party (KMT) wins

Since Ma Ying-jeou took office as president of the Republic of China (ROC) in May 2008, cross-Strait relations have seen an impressive reversal of the tensions that began in the mid-1990s. A cornerstone of Ma's approach to the mainland — and one endorsed by his Kuomintang party — has been his "three no's" policy: no unification, no independence, and no use of force. Of critical importance to Beijing has been Ma's acceptance of the 1992 Consensus — the formula that made possible the historic Singapore talks between Taiwan and the mainland in 1993 and essentially represents an understanding that there is only one China, though disagreements persists on how to define it. On the island of Kinmen during ROC Centennial Peace Day ceremonies on August 23, 2011, President Ma stated that support for the 1992 Consensus was "support for the ROC and support for the sovereignty, territory, and the status of the two sides of the

Taiwan Strait as set forth in the Constitution."

Ma Ying-jeou deserves credit not only for reducing cross-Strait tensions, but also for easing competition between Taipei and Beijing in the international community. Early in his tenure, Ma introduced a "diplomatic truce," which halted, at least temporarily, the fierce rivalry between the two sides for diplomatic recognition from other countries and enabled Taiwan to keep its 23 diplomatic allies. In addition, Ma's "flexible diplomacy" has allowed Taiwan to further develop relations with countries with which it lacks formal diplomatic ties, begin to expand its participation in international organizations, and achieve more amicable interaction between Taiwan and mainland China in international society. Talks between both sides resumed in June 2008 and have produced 16 agreements so far, including the landmark Economic Cooperation Framework Agreement (ECFA). Negotiations are under way with Singapore on a bilateral economic cooperation accord, a joint feasibility study on a similar agreement is being conducted with New Zealand, and talks with other countries aimed at promoting trade and economic ties are likely to follow. In September 2011, Taiwan signed an investment agreement with Japan that is expected to bring more Japanese enterprises to Taiwan and boost both countries' industrial development. There has also been progress on the question of Taiwan's international space more broadly. As of October 2011, Taiwan had joined six new international organizations as either a full member or an observer, including participation since 2009 as an observer at the World Health Assembly, the executive arm of the World Health Organization, and four nongovernmental organizations (NGOs) since 2008.

President Ma has been unwilling to start cross-Strait negotiations on more sensitive political and security issues. During his candidacy and early in his presidency, Ma indicated strong support for pursuing both a peace accord that would end the state of hostility between the two sides of the Strait and military

confidence-building measures (CBMs) with the mainland. Public mistrust in Ma's administration and the absence of a domestic consensus in Taiwan on issues pertaining to sovereignty subsequently imposed political constraints on the KMT, however. According to a poll conducted in August 2011, only 35.7 percent of people in Taiwan believed that Ma was "trustworthy and has integrity" and only 30.8 percent considered that he "safeguards sovereignty and secures Taiwan's interests and peace across Strait."

It therefore came as a surprise to the many people on both sides of the Strait who had assumed that the idea of a peace agreement had been shelved at least until after January 2012 election when President Ma stated in mid-October that Taiwan could "cautiously consider" signing a peace accord with mainland China within the next decade. Realizing such a goal, Ma indicated, would require meeting three preconditions: it must win strong support from Taiwan's people; it must meet the actual needs of the nation; and it must be supervised by Taiwan's legislature. He subsequently pledged that the government would obtain the approval of the people through a referendum before signing a peace agreement.

The mainland's Taiwan Affairs Office (TAO) welcomed the move, saying that ending hostilities across the Strait and concluding a peace agreement would serve the interests of the "entire Chinese Nation." Careful to not appear impatient, the TAO reiterated that cross-Strait talks should tackle "economic issues and later political ones, easy things first and difficult matters later" and should promote cultural exchanges, however, that political issues "objectively exist" and would have to be faced sooner or later. On the question of the referendum, both sides maintained that cross-Strait political talks should be undertaken only when conditions were ripe, and should not allow any political force to make use of this issue for political capital.

Subsequent polling shows that Taiwan voters are divided on whether to sign a cross-Strait peace accord. A poll by the pro-KMT media outlet United Daily News found that 41 percent of the voters supported the signing of a peace accord, 29 percent opposed signing, and 29 percent expressed no opinion. Nearly 67 percent said that signing the deal should be subject to a referendum, with only 17 percent saying a referendum was not necessary. Among supporters of the pan-Blue camp (the KMT, the People First Party (PFP), and the New Party), 69 percent favored signing a peace accord; in contrast, among pan-Green supporters (the Democratic Progressive Party, the Taiwan Solidarity Union, and the minor Taiwan Independence Party), 59 percent opposed the idea.

2. If opposition party (DPP) wins

The KMT administration's accomplishments in promoting cross-Strait ties have not gone without criticism. The DPP and its presidential candidate, Tsai Ing-wen, charge that Ma has sacrificed Taiwan's sovereignty as well as relations with the United States for short-term economic gains from Beijing, and that expanded economic ties between Taiwan and mainland China have not benefited the majority of Taiwan's population. In addition, the DPP condemned Ma's proposal to consider signing a cross-Strait peace accord as evidence that the KMT seeks to rush unification with the mainland. Tsai has consistently denied the existence of the 1992 Consensus and has called for expanding Taiwan's ties with other countries to prevent further marginalization and overdependence on China economically.

While the DPP refuses to rule out the option of independence for Taiwan, the party has nevertheless learned lessons from the eight years that Chen Shui-bian was in power. During his two terms in office, Chen's provocative policies toward

Beijing escalated cross-Strait tensions and strained Taiwan's relations with the United States. U.S. intervention was critically important in averting a cross-Strait crisis when the first-ever national referendum was held in March 2004, asking the people of Taiwan whether they supported the government's acquisition of advanced missile defense systems to defend against mainland China's growing ballistic missile force, and whether they wanted the government to negotiate with China to conclude a peace and stability framework. The referendum failed because the number of ballots cast for both questions fell short of the required threshold of 50 percent of eligible voters.

Under Tsai Ing-wen's leadership as party chairwoman, the DPP has adopted a more moderate approach to cross-Strait relations. On August 23, 2011, Tsai unveiled the DPP's 10-year policy platform, which comprises 18 chapters detailing the party's guiding principles and differences with the KMT. Addressing cross-Strait relations, the national security strategy chapter charges that "the Ma government simplistically views China as the only path to rely upon for Taiwan's security and development." Further, it argues that China is "a possible opportunity for development," but is an "unpredictable factor" and "carries an unfriendly attitude toward Taiwan's sovereignty." The policy paper acknowledges but does not accept Beijing's "one China" position, and proposes that the two sides of the Strait "reach an understanding that is based on reality and the fact that the two sides are different" while seeking "commonality and strategic mutual interests." The overarching goal is to develop "a stable mechanism that would benefit the pursuit of peaceful development on both sides."

Alongside the 10-year policy guidelines, Tsai introduced what she dubbed the "Taiwan Consensus," in which she pledged to employ democratic processes to formulate a consensus position to negotiate with the mainland. Recognizing the

"conflicting interests" between her party and Beijing, Tsai called for the mainland to "face the fact that Taiwan is a democracy" and must be treated as such. On defense and security, Tsai asserted that the DPP is "committed to a strong defense capability, not because we want to have a war with China, but because we believe that being equipped with a strong defense capability" would give Taiwan not only the confidence but also the necessary leverage to negotiate with the mainland.

Tsai has signaled some flexibility as the election grows closer. Her shift in stance on the ECFA is an example. Initially, Tsai staunchly opposed the agreement and called for a referendum to let the people decide. More recently however, she has advocated a review and reevaluation of the ECFA using "democratic procedures" and international norms. Speaking at the American Enterprise Institute (AEI) in Washington, Tsai provided reassurances that the DPP would adopt a stable and balanced approach to cross-Strait relations and would not pursue extreme or radical policies. Rather, the party would "seek to achieve a strategic understanding that is based on reality, where the two sides across the Strait can interact in a stable and peaceful manner."

DPP officials suggest that the party is confident that if Tsai Ing-wen is elected president, mainland Chinese leaders will be inclined to strike a deal with the DPP, even if the party does not accept some version of "one China," because Beijing will want to avoid setbacks in cross-Strait relations that could divert attention from the priority of maintaining domestic stability. This expectation that the current level of cross-Strait interaction, including negotiation mechanisms, would be maintained in the absence of steps by the DPP to satisfy Beijing's concerns was suggested by Tsai in her comments at AEI. She maintained that by reaching a "strategic understanding" on differences but agreeing to engage in order to pursue common interests was the most "realistic"

way forward in cross-Strait relations. However, given increasingly strident Chinese nationalism, diminished tolerance throughout Chinese society for perceived challenges to the country's sovereignty and territorial integrity, the pending leadership transition, and the ongoing discourse on the mainland about "core interests"—which include Taiwan—it is absolutely unrealistic to anticipate that Beijing will compromise on its bottom line of "one China."

3. Views and reactions of Mainland China

The upcoming Taiwan presidential election and the implications for future cross-Strait relations are being intensely discussed on the mainland. Regardless of the outcome, the Chinese have concerns. A Ma Ying-jeou victory, while undoubtedly Beijing's preferred outcome, will likely raise questions about how hard to press for political talks and whether to respond positively to Ma's demands for greater international space, economic cooperation agreements with other countries, and reductions in Chinese military deployments opposite Taiwan. At least for the time being, mainland officials assure that Beijing is patient and willing to develop cross-Strait relations at whatever pace with which Ma is comfortable. Hu's "peaceful development" policy would continue, allowing for increased cultural and educational exchanges alongside expanded economic cooperation. Experience gleaned from Ma's first term in office has lowered expectations on the mainland for signing a cross-Strait peace accord that would virtually rule out independence for the island.

Responding to Tsai's 10-year policy platform, the Taiwan Affairs Office in Beijing stated that there was no indication that the DPP had changed either its stance on Taiwan independence or its advocacy of the "one country on each side" policy. It also warned that if the DPP's proposed policies were

implemented, cross-Strait negotiations would not be able to continue and the relationship would again become turbulent. Wang Yi, minister of the TAO, described pursuing peaceful development of cross-Strait relations as a multistoried building, with the 1992 Consensus and opposition to Taiwan independence as the foundation and each agreement signed as new stories added to the building. He warned, "If someone calls for the foundation of the building to be demolished, but says that we can continue to add new stories to the building, this is definitely unrealistic and irresponsible."

The mainland is preparing for the possibility that Tsai will become Taiwan's president and will refuse to accept the "one China" principle as embodied in the 1992 Consensus, which mainland China considers an integral part of the status quo. They repeatedly warned that without the 1992 Consensus on one China, "nothing can be achieved." Minister Wang Yi reportedly stated that if the DPP continued to deny the 1992 Consensus, it would be hard to imagine how talks could continue, how political trust could be built, or how cooperation currently in place would be able to continue.

4. Taiwan's prospects after the elections

Regardless of who emerges with the most votes, the new president will likely have a small margin of victory and will lack a broad mandate to push through major policy changes. If Ma Ying-jeou is reelected, he will likely continue policies pursued in his first term, including following the three no's, pursuing flexible diplomacy, and adhering to the 1992 Consensus; thus, cross-Strait relations can be expected to remain generally amicable and stable.

Beijing's professed patience notwithstanding, pressure will likely build on the

mainland for Ma to launch talks on political matters. Ma represents mainland China's best chance to secure an agreement that would rule out independence for Taiwan, and Beijing is unlikely to let that opportunity pass easily. Even though Chinese leaders are loathe to see a referendum conducted on Taiwan, they may be willing to tolerate a plebiscite if it is a necessary hurdle to signing a cross-Strait peace accord and there is a high-degree of certainty that it would pass. In the event that opening talks on a peace agreement is deemed premature by Ma in a second term, there is still potential for agreement on the implementation of military CBMs aimed at reducing the risk of accident and miscalculation and at enhancing mutual trust.

If Ma is reelected, the United States would likely maintain its policy of engaging both sides of the Strait and shaping an environment that allows cross-Strait relations to further improve. A decision by Taipei to pursue cross-Strait military CBMs would receive U.S. support, as would the launching of cross-Strait political talks, assuming that such initiatives were backed by the majority of the people of Taiwan and were undertaken voluntarily rather than as a result of coercion. Because of Taipei's vulnerability to mainland Chinese pressure, the United States will need to maintain strong ties with Taiwan so that Ma remains sufficiently confident of U.S. backing to sustain negotiations with Beijing.

Should Tsai Ing-wen be elected president, the intervening four months prior to her inauguration would likely be a probing period in which Beijing and Taipei each seek to maximize their advantage and extract concessions from the other. Active diplomacy by the United States would be critical to persuade both sides to demonstrate maximum flexibility and reach a compromise that would enable negotiation channels to remain open and cooperation to continue. Failure to agree on a formulation that is acceptable to both sides as the basis for their relations would likely result in a suspension of negotiations, a reduction of visits

to Taiwan by mainland tourists and officials, and a slowdown in the implementation of agreements reached during the Ma administration. In a worst-case scenario, a resumption of efforts to promote a separate Taiwan identity and implement "de-sinification" policies could spark renewed cross-Strait tensions.

Under such circumstances, Beijing would face a serious dilemma. China would undoubtedly be tempted to use economic and other means to punish pro-independence forces in Taiwan. However, such a course of action would risk a reversal of progress made thus far in winning the hearts and minds of the Taiwan people. The newly elected DPP government could point to these punitive actions as further evidence of the mainland's malevolent intent and respond with tougher policies of its own, further agitating cross-Strait tensions. Faced with this situation, Beijing might seek to pursue a policy that preserves past gains but at the same time deters the DPP from challenging the mainland's bottom line, and wait for the KMT to return to power. Once again, the United States would have an important role to play to ensure that neither side unilaterally seeks to change the status quo.

5. Role and interests of the United States

The United States has a strong interest in seeing Taiwan's democracy continue to flourish and in the conduct of free and fair elections. Taiwan is a vibrant democracy that is widely viewed as a vanguard for political development in Asia and a role model for China in particular. The people of America and Taiwan share the same values of freedom and liberty, and they cherish their rights to choose their leaders and participate in the political process. At the same time, the United States has an equally compelling interest in the preservation of cross-

Strait stability. The tensions that prevailed in relations between Taipei and Beijing beginning in the mid-1990s until 2008 were profoundly contrary to American interests. Thus, Washington is ambivalent: it prefers to not interfere in Taiwan's elections, but also insists that its leaders manage ties with Beijing in a way that minimizes friction and reduces the possibility of military conflict.

This ambivalence was apparent during the visit to Washington by Tsai Ing-wen in September 2011. Although Tsai told various audiences she would be flexible in dealing with the mainland and pledged to work closely with the United States if elected, U.S. officials were worried by the absence of concrete details. Keeping channels of communication open between both sides of the Strait is deemed of the utmost importance. A suspension of dialogue could result in miscalculation and potentially war.

Regardless of who is elected Taiwan's president tomorrow, the United States will likely maintain its important relationship with the government and people of Taiwan and abide by U.S. commitments under the Taiwan Relations Act. Arms sales to Taiwan are also likely to continue, though advanced weapons requests from Taipei can be expected to be increasingly controversial as the cross-Strait military balance shifts more decisively in Beijing's favor and as China's national power grows.

II. Chinese new leadership and Cross-Strait relations

1. Achievement of Hu Jintao's era

The PRC fourth-generation leadership's policy choices have contributed

significantly to the progress in cross-Strait ties and maintenance of an acceptable status quo on the difficult, sovereignty-implicating political dimensions of Mainland-Taiwan relations.

Whatever the underlying calculus, Hu Jintao-era Taiwan policy undertook a basic shift in principle from an agenda of seeking reunification to an agenda of preventing independence. Although basic elements of the policy reorientation date to a few years earlier, the most elaborate and formal instantiation of this pro-stability and crisis-avoiding approach was, an occasion for controversy and confrontation in cross-Strait relations: the Anti-Secession Law of 2005.

In the period since Ma came to office in Taiwan, the Hu administration's cross-Strait policy has included: a de facto diplomatic truce; acceptance of a modest expansion of international space for Taiwan; and ECFA and other cross-Strait arrangements that have been, in narrow economic terms at least, fairly generous to Taiwan. Such measures have seemingly helped to calm the fear or sense of desperation in some quarters in Taiwan that had generated support for Chen Shui-bian's more confrontational and risky policies. And they helped to flesh out a scenario in which stability and ongoing improvement in cross-Strait relations offer a significant upside for Taiwan.

Hu-era policy toward Taiwan follows and builds upon China's longer-term learning about how to engage Taiwan's democratic politics, specifically its presidential elections. This bodes relatively well for policy continuity as the final Taiwan presidential election of the Hu years (in January 2012) draws near. The arc of Beijing's approach has been striking. In the run-up to Taiwan's first fully democratic presidential election in 1996, China launched missiles near Taiwan to deter what is saw as a pro-independence agenda being pursued by then-President Lee Teng-hui with a troublingly high level of American support. What

followed was a resounding electoral victory for Lee and deployment of U.S. naval forces in a show of force near the Strait. Four years later (in 2000), Beijing adopted a milder but still provocative and ham-fisted approach to deter voters from supporting the "pro-independence" DPP candidate Chen Shui-bian. China released its second White Paper on the Taiwan issue, and Premier Zhu Rongji scoldingly warned the electorate in Taiwan not to choose Chen. It is widely thought that China's strategy backfired as Chen won the election.

For the 2004 election, Beijing again dialed back its tactics. China somewhat supported the Kuomintang (KMT) candidate Lien Chan. Once again, Chen eked out a narrow and disputed victory. By 2008, Beijing seemed to have learned the wisdom of mostly sitting on the sidelines. China left no doubt that it preferred Ma and would be more forthcoming in dealing with a KMT-ruled Taiwan, but it did not exclude a possible DPP victory. The 2008 campaign was, of course, more complicated than this, with Ma (as well as Hsieh) upsetting Beijing by criticizing the PRC's handling of the Olympics and unrest in Tibet—something which may have helped Ma's already strong prospects by undercutting suspicions in Taiwan of an overly close Ma-PRC alignment.

This trend of increasingly moderate tactics and increasingly (if one takes margin of victory as well as outcome into account) acceptable results, the compatibility between a low-key, accommodating approach to elections and the broader Hu-era Taiwan strategy, and the Chinese leadership's clear preference for a Ma victory all portend Beijing's relative restraint and avoidance of crisis-provoking approaches to the 2012 presidential contest in Taiwan.

2. Continuity or change for Xi Jinping?

China's leaders now rise to the top through processes that provide only limited clues about where, within the broad parameters of the Reform-Era consensus, they might lead China on relatively specific issues. Success at the highest level in Chinese politics involves a good deal of winning the favor of more senior generations of top leaders and hewing to their agendas. The system provides few occasions for rising leaders to make public announcements of bold or distinctive policy proposals. Still, several considerations suggest that Xi Jinping and the leadership group he heads are likely to opt for continuing the Hu Jintao-era approach to Taiwan.

First, China's increasingly—but still very imperfectly—institutionalized process for succession produces gradual leadership transitions. The baton will not pass from Hu, Wen and the fourth generation to Xi, Li and the fifth generation with the dramatic suddenness, or the potential for sharp policy reversals. Indeed, observers of Chinese politics have become accustomed to viewing the transfer of power in China as likely to be at least a two year process. The "new" leader may not come fully into his own and articulate his signature positions until five years in, at the Party Congress that "reelects" him to a second and final term. In such a setting, major policies of the preceding generation (such as the Taiwan policy of the Hu years) are relatively not suddenly and quickly revised.

Second, the coming of China's fifth generation leadership is likely to continue—or at least not reverse—the traditional way of the top leader. In terms of individual authority to achieve significant change in important policies, there is little expectation that Xi's relationship to the rest of the top elite will be much more than first among relative equals. In this context, even after the preceding generation of leaders fades from the scene, significant policy reorientation is comparatively difficult because it requires a degree of top-elite consensus that China's top leaders once did not need to achieve.

Third, as newly ensconced and still-unconsolidated leaders of a regime that has been doing quite well (with its economic success and rising international clout) but that also faces significant and inescapable challenges (including discontent rooted in economic change, inequality and ethnic separatism), Xi and the fifth generation leadership are likely to see themselves as having little to gain and potentially much to lose from an unnecessary crisis of their own making. A big change in a generally successful Hu-era Taiwan policy risks a crisis. And, absent an unlikely clear provocation from the Taiwan side, deteriorated cross-Strait relations are relatively unlikely to make the kind of external crisis.

Fourth, Xi Jinping is generally seen as a cautious rising leader (as is Li Keqiang). This may reflect particular character traits, or lessons learned in a long climb up the contemporary Chinese political ladder, or, at least in Xi's case, the aversion to radical political change that one might expect from children of the revolutionary generation top elite who fell precipitously during the convulsions of the Cultural Revolution. Whatever the reasons for Xi's (or his colleagues') perceived lack of adventurism, it implies that a significant reversal of Hu's cross-Strait policies is unlikely to transpire as part of some broader reorientation of Chinese politics and policy toward greater militancy or radicalism.

Fifth, Xi's earlier career has led many on both sides of the Strait to infer, plausibly, that he will favor a moderate and accommodating cross-Strait policy consistent with the pattern laid down under Hu. Although political biography is far from a perfect predictor of future policy preferences, Xi spent roughly a decade in the early to middle part of his career in Fujian, Taiwan's nearest neighboring province and a major beneficiary of inbound cross-Strait investment. Xi later moved on to top posts in Zhejiang and Shanghai that, like

Fujian, greatly benefited economically from links with Taiwan.

Moreover, Xi is always in the camp of the "princeling party" (taizidang)—a moniker that refers to the fact that many of them, like Xi, are the offspring of members of former top leaders. The princelings, who hold the upper hand among the fifth generation leadership, have served primarily in China's booming gold coast (as Xi has) and are generally more favorably disposed to the policies of growth over equity (across both regions and classes) and growth driven by economic engagement (including with Taiwan).

Finally, Xi's likely Hu-like preferences on Taiwan policy may matter relatively much. Assessments of Beijing's Taiwan policymaking under the fourth generation leadership typically conclude that Hu Jintao exerted especially strong influence over cross-Strait policy, achieving and maintaining his preferred orientation despite pressure for a harder line from some quarters (including, on many accounts, the People's Liberation Army) and notwithstanding a general turn toward a more assertive (and, in some characterizations, aggressive) turn in Chinese foreign policy. The pattern of the top leader wielding comparatively great influence over issues concerning China's "unrecovered" territories (principally, Taiwan and, before that, Hong Kong and Macao) and, more broadly, over foreign policy issues has much precedent under Hu and his Reform-Era predecessors. Although perhaps short of the regulations of PRC elite politics and policy, it may give Xi somewhat more time in pursuing the Taiwan policies he prefers, particularly to the likely considerable extent that those policies maintain continuity with those of the preceding period.

3. Mainland China's enduring aims and interests

Important Chinese policy goals and interests—ones that extend well beyond the

issue of Taiwan—favor continuity, stability and crisis-avoidance in cross-Strait relations. This is likely to remain the case as China moves beyond the era of the fourth, and well into the era of the fifth, generation leadership.

First, China's new assertiveness in foreign policy during the latter years of Hu's rule—on issues ranging from the South and East China Seas to several aspects of U.S.-China relations to China's roles in international institutions.

Given a cross-Strait military balance tilting ever more heavily in the mainland's favor, China's firm and long-standing ideological and legal position that Beijing has the right (and perhaps the obligation) to use force to protect its long-identified "core interest" in sovereignty over Taiwan, and the sensitive place of Taiwan in U.S.-China relations, signs that Beijing is belligerent or coercive toward Taiwan will receive outsized attention. Although China would surely try to portray any such measures toward Taiwan as purely a domestic matter with no bearing on the PRC's truly "international" behavior, much of the world—including China's neighbors and the United States—may well not see it that way. On the other hand, Beijing likely can tout a sustained period of tolerance for the status quo and voluntary progress in cross-Strait relations as evidence of its benign intent toward the outside world in generally.

Second, and more broadly, China under the fifth generation leadership has a continuing fundamental interest in a stable and peaceful external environment (including across the Taiwan Strait) to help achieve its still-primary goal of economic development. To be sure, China is now sufficiently awash in capital that drawing foreign investment is not likely to be the priority it once was. And the crucial role that exports have played in China's growth will decline given the euro crisis and American economic recession, the growing pressure China faces from the U.S. and others to level the playing field in trade and to allow its

currency to appreciate, the long-term unsustainability of an export-led growth strategy for the world's second largest economy, and the increased reliance on domestic demand that predictably accompanies China's greater affluence and efforts to address severe economic inequality. Nonetheless, China's deep integration with the outside world, its enormous export sectors mean that a fundamental reorientation will not occur in the near term. For the fifth generation leaders, like their predecessors, the domestic economic growth imperative endures as a powerful driver of a foreign policy that seeks stability and good relations abroad. Cross-Strait relations are likely to remain a particularly visible and significant part of those external relations.

Third, one factor that has long been corrosive of positive cross-Strait relations might be fading. For many years, the Taiwan issue—and particularly the imperative to deter Taiwan independence and develop capabilities to address the contingency of conflict with the U.S. over Taiwan—was a principal justification for the Chinese military's large and growing claim on China's national resources. On this front, the importance and utility of the Taiwan issue are headed for a decline. The relatively low level of tensions across the Taiwan Strait since 2008 and the prospect that this will continue well beyond 2012—even as other aspects of China's external relations have become more contentious—has meant that considerations of where China might use military force (and thus the argument for building martial capacity) have shifted to other scenarios, such as the South China or East China Seas, or perhaps a potentially collapsing North Korea, or even a rising India. In addition, China articulates increasingly far-flung national interests and pursues international roles that lie far beyond its immediately adjacent waters and the islands therein. These now include: keeping open the sea-lanes of communications through Southeast Asia and to the oil-rich Middle East; protecting Chinese raw material-extraction investments in Africa; and even snuffing out piracy off the coast of Somalia. Moreover, the

capabilities that seem to be next on the agenda for China's military enhancement are ones for which Taiwan-centered scenarios provide no justification: base access along the Indian Ocean, aircraft carriers, and the means to project force and defend interests to the second and third island chains off China's coast.

Conclusion

Tomorrow, if Ma wins reelection, Taiwan can keep its own policy stable. The Taiwan factor in the equation will remain unchanged. And when Xi comes into power, it will be much easier for him to manage cross-Strait relations. That will mean maintaining current cross-Strait stability will be much easier and more likely.

But the situation could be entirely different—and much more difficult—if Tsai wins the presidency. In that situation, the lack of a defined cross-Strait policy that will bring balance to relations is the issue. This will put cross-Strait relations in a shadow of uncertainty. Instability could be the result, even worse, either Hu or Xi in the presidency.