



PARADIGMS, POLITICS AND PRINCIPLES:

2016 TAIWAN ELECTIONS AND IMPLICATIONS FOR CROSS-STRAIT AND REGIONAL SECURITY



Outline

Cross-Strait Relations on the Eve of 2016 Elections

Interpreting the Ma-Xi Summit: Gambit, Precedent, or Warning?

The Paradigm: 1992 Consensus

The Politics: Contrasting 2008 and 2016

The Clash of Principles

The PRC “Bottom Line” on Core Interests

Taiwan Political and Demographic Transformation: Is *Status Quo*

Viable?

Security Implications

Context: Indo-Pacific in Transition

Context: PRC National Rejuvenation, and Perceived Threats

More Muscular PRC Behavior on Periphery

PRC Military Strategy and the Cross-Strait Balance of Power

Future Direction– From Deter to Compel?

Cross-Strait Relations on the Eve of Elections

- **The Ma-Xi Summit: Gambit, Precedent or Warning**
 - Gambit: Last-ditch effort to prop-up reeling KMT? Low likelihood that Xi would misread Taiwan political transformation to that extent– but possibly effort to “facilitate” KMT recovery post election
 - Precedent: Message to future Taiwan leadership that Xi can set aside protocol and prerequisite to move the relationship forward? Perhaps least likely given the context for the meeting
 - Warning: Absence of a consensus between the two sides could reverse the positive trend of the past 8 years
- **The Paradigm: the 1992 Consensus**
 - Ma-Xi summit may be both first and last time leaders on both sides of the Strait have a consensus (however vague) to underpin stability
 - Despite numerous cross-Strait agreements since 2008, no creative paths paved toward political dialogue



The Politics: 2008 and 2016

- 2007-2008: A “Highly Dangerous Period”
 - July '07 cabinet-level decision to pursue UN membership as “Taiwan”
 - Critical point for **Beijing’s Washington-focused strategy** for deterring any move to *de jure* TWN sovereignty
 - Bush administration clearly expresses displeasure at proposed referendum– Beijing’s strategy appears to hold...
 - ... followed by more nuanced PRC approach to signaling possible punishment
 - Following election, former ruling party out but not down...
- 2015-2016: Promoting *Status Quo* in a Time of Transformation
 - It’s the demographics *and* the economics...
 - ... and the DPP has a defense policy
 - KMT down and out? Can the party transform?
 - Where is Washington in Beijing’s calculus now; and why the absence of clear signals regarding PRC “expectations?”

The Principles at Odds

- PRC “Bottom Line Principle” (*Dixian Zhengce*)
 - Hardening of position on “core interests” under Xi
 - Growing determination to impose costs (primarily non-military)
 - Married with an enhanced capacity to shape regional and international environments through various mechanisms
- Taiwan: “Strategic Ambiguity” and the *Status Quo*
 - Focus on cross-Strait negotiation oversight and the “three benefits, three commitments...”
 - ... but both China and Taiwan’s populace will demand more
 - Reliance on popular support as leverage against Beijing could backfire
 - “Spirit” of 1992 consensus might provide basis for acceptable construct



Security Implications

Context: The Indo-Pacific in Transition

Geo-political transition marked by security dilemma (US-China), and several direct confrontations

- Strategic mistrust at core of US-PRC relations
- Several regional flashpoints, primarily maritime, represent direct conflicts of interest
- Erosion of US conventional deterrence (power projection) and limits of escalation dominance drive regional reinterpretation of threat environment

The Indo-Pacific region experiencing upturn in military competition

- No “arms race” – yet
- PRC defense budget quintupled (nominally) since 2002 – closing gap between capabilities, objectives
- Regional response/hedging causing PRC “defensive realist” reaction – demand and need?



Sources: EIA, Middlebury College, National Geographic, CIA Factbook



Security Implications

Context: PRC National Rejuvenation

- Continuity in National Development Objectives (since ~2002)
 - The “Two Centennials:” From Moderately Well-Off to Fully Developed
 - The “Dream:” internal stability, regional ascendance, global influence...
 - ...undergirded by economic growth and a modern military
 - **Shape the International Order and Defend Core Interests**
- Conflict averse since 1979...
 - Deterrence, escalation control is key goal... maintain economic ascendancy without sacrificing sovereignty
 - Stable external and internal environment for continued economic growth
- ...but more assertive turn with increased military clout
 - Implications of the “New Regional Security Cooperation Architecture”
 - Unyielding on core interests



Security Implications

More Muscular PRC Behavior on Periphery

- **Three possible causes . . .**

- **Perception of a weakened United States**

- **Perceived U.S./allied containment activities**

- **Function of domestic and/or bureaucratic pressures**

- **Three hypothetical Chinese strategic responses . . .**

- **Offensive realist strategy**

- **Defensive realist strategy**

- **Domestic or bureaucratic posturing strategy**

Strong evidence for a confluence of domestic factors and decisions made by PRC leaders who feel both more confident and more threatened– defines bounds for influence by U.S./Allied policymakers

Security Implications

The Cross-Strait Balance

- China's deployed ballistic and cruise missiles dramatically change the balance...
 - Conventionally armed IRBM and larger 4th generation fighter force just around the corner
 - Significant strain on US basing capacity
- ... but sea and air lift remain problematic
- Improved maritime surface and sub-surface capabilities will accrue w/ evolution from near to far seas focus
 - Broader distribution of maritime area air defenses
 - More modern submarine fleet
 - ASW improved, but still a vulnerability
- Current capabilities indicate that China is poised more for coercion/punishment than to compel unification...
 - ... but 2020 time frame could stand as a potential watershed for capabilities development; and for PRC cross-Strait policy
 - Will China still view time as being on their side after 4 years of DPP administration– and if not, will military advances under-write a new, more muscular approach to Taiwan policy?

Security Implications

Future Directions—From Deter to Compel?

- Xi not likely to allow DPP to control/define the “status quo”
 - Absent an agreed consensus, increased friction likely
 - Prior to ~2020, economic and diplomatic levers most likely...
 - ...but increasing PRC capabilities combined with evolving approach to deterrence and coercion could be volatile
- PRC concept of deterrence includes coercive and even kinetic components
 - Discussion of using kinetic means to deter and control crises
 - Emphasis on “seizing the initiative”
 - Emphasis on “turning crisis into opportunity”
- If Xi Jinping’s administration represents an inflection point in deterrence approaches:
 - Possible increase in political coercion/intimidation vis-à-vis weaker neighbors
 - Less concerned with escalation as military capabilities close the gap with national interests/objectives?
 - Thresholds for use of force increasingly uncertain
- Conventional deterrence ultimately based on clear US and allied ability to prevail in war
 - PRC reluctance to escalate situation to war with US potentially offers hope for de-escalation after incidents
 - Requirements for sea control and mobile defense

Back-up Slides



China's National Security World View

Deterrence Targets: US & allies, TW
Methods: cross-domain military, asymmetric/long range (ASAT, Cyber, BMD), nuclear
Increase capability, credibility, and willpower

Mainland China /
Internal Security

Adjacent
Countries: 14
including
DPRK, India

Nearby Geopolitical
Regions: South & SE
Asia, Central Asia

The Greater
World: Africa,
S. America,
MENA

Cross-Border: Improve
infrastructure,
communications,
logistics

Counter Intervention:
Improve cyber, space,
EW, subs & surface
warfare, UAVs, high-
tech armaments, air
defense

Expeditionary:
Improve aircraft
carriers, at-sea
replenishment,
logistics, space

Ring 1

Ring 2

Ring 3

Ring 4

Development of Alternative International Frameworks

Trade

- Regional Comprehensive Economic Partnership (RCEP)
- Free Trade Area of the Asia Pacific (FTAAP)

Infrastructure & Development

- Asian Infrastructure Investment Bank
- New Development Bank
- Silk Road Economic Belt

Finance

- Universal Credit Rating Group
- Union Pay

Technology

- Standards
- Internet governance

Security

- Shanghai Cooperation Organization (SCO)
- Conference on Interaction and Confidence-Building Measures in Asia (CICA)

Diplomacy

- Chinese regional forums
- Bo'ao Forum for Asia (BFA)



China's Defense White Paper 2013

Security Concerns

- U.S. adjusting its Asia Pacific strategy, strengthening alliances, expanding military presence
- Subsistence and development security
- Territorial sovereignty/maritime rights (Japan)
- Taiwan/Cross-Strait relations
- Natural disasters, security accidents, public health incidents
- Factors affecting social harmony and stability on the rise
- Increasing risk to China's overseas investments
- Major powers developing more sophisticated military technologies (cyber space and outer space)

The Logic of PRC Milmod

- **Threat Assessments inform strategy: Active Defense**
 - First defined in guidelines: 1956 (Mao's principle)
 - Then adjusted: 1980 (Deng); and 1993 (Jiang)
- **Strategy and subsequent environmental reassessments drive doctrine and force development guidance and plans (incremental change)**
 - Doctrine: Prescribed campaigns for joint, "informatized" regional war
 - Force development: Combined arms organization and proficiency to support formation of operations groups
 - Training: Practice the hard tasks: trans-regional mobility, EW, joint ops
- **Which provide concepts and programs for deterrent and combat capabilities**
 - Deterrence: Conventional and nuclear missile force; counter-space
 - Combat: The "Three Superiorities"