PARADIGMS, POLITICS AND PRINCIPLES:
2016 TAIWAN ELECTIONS AND IMPLICATIONS FOR CROSS-STRAIT AND REGIONAL SECURITY
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?

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PRC Military Strategy and the Cross-Strait Balance of Power
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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
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 – downward spiral?
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 ascendency without sacrificing sovereignty
  • Stable external and internal environme for continued economic growth
• ...but more assertive turn with increased military clout
  • Implications of the “New Regional Security Cooperation Architecture”
  • Unyielding on core interests
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 with 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
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
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 re-assessments 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”