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Discussion Paper

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Since 2008, cross-Strait relations have been in a historic period of peace, stability, and development. The primary goal of Beijing's Taiwan policy after the CPC's 18th National Congress is to maintain the policy's continuity and ensure the irreversible momentum of peace, stability, and development in cross-Strait ties. Guided by "the important thought of peaceful development of cross-Strait relations" and based on the principle of adhering to "One China" and opposing to Taiwan Independence, Beijing will promote the development of Mainland-Taiwan relationship at two levels, creating favorable conditions for settling political differences through peaceful means and for the peaceful reunification of China.

I. Promoting cross-Strait exchange and cooperation, consolidating and deepening the political, economic, cultural, and social bases for the peaceful development of Mainland-Taiwan relations

Historically speaking, the Mainland and Taiwan were separate from each other twice. Particularly, Mainland-Taiwan ties were entirely cut off for nearly sixty years as a result of the civil war between the CPC and the KMT in the late 1940s. The state of isolation led to the political differences and the people's different perceptions of each other across the Strait. In the long run, the settlement of cross-Strait political differences requires, first of all, social integration across the Strait.

1. Deepening cross-Strait economic cooperation contributes to consolidating the social basis for peace and development across the Strait

Over the past five years, nine rounds of talks between Jiang Bingkun, Chairman of the Straits Exchange Foundation, and Chen Yunlin, Chairman of the Association for Relations Across the Taiwan Straits, have been successfully held, with the signing of nineteen agreements including ECFA (Economic Cooperation Framework Agreement) which has a far-reaching effect on cross-Strait economic and trade ties, symbolizing the normalization of direct, two-way, and comprehensive economic and trade relations across the Strait. Yet by far, in practical terms, all these agreements are at the initial stage, with little economic and social effects in sight, delivering even less tangible benefits to the people across the Strait. The ECFA is only a framework in its nature and needs to be improved and enriched with supplementary agreements such as the *Cross-Strait Bilateral Investment Protection and Promotion Agreement* signed in August 2012

and the *Cross-Strait Service Trade Agreement* signed in this June. Beijing and Taipei are set to negotiate about and sign a Cross-Strait Goods Trade Agreement and a Cross-Strait Dispute Settlement Mechanism Agreement for the purpose of bringing the cross-Strait economic relationship onto the implementation stage of comprehensive free trade and delivering real benefits to the people across the Strait. At the same time, Beijing and Taipei have already launched dialogues and consultations on setting up representative offices on both sides of the Strait to provide rapid and convenient services, address problems, and safeguard the people's legitimate rights and interests.

2. *The promotion of cross-Strait cultural exchange helps to bring closer people's hearts*

Cultural exchange plays an important part in cross-Strait exchanges. Though there is no shortage of hurdles in cross-Strait cultural exchange due to the political differences existing between Taiwan and the Mainland, Beijing and Taipei have never relaxed for a while in their respective efforts in carrying on and spreading the fine traditions of Chinese culture. With the cross-Strait relationship moving towards greater relaxation, particularly with the intensifying interaction between the two sides since 2008, cultural exchange has gained a more prominent position in the people-to-people exchange across the Strait. Exchange under a common culture brings people's hearts closer. Currently, the Mainland holds an open-minded attitude toward a cross-Strait culture exchange agreement with Taiwan. The two sides can either sign a package deal or make proper arrangements concerning the details in cross-Strait cultural exchange. In the meantime, Beijing will take a series of measures to promote and institutionalize the exchanges in various fields and people-to-people exchange.

II. Jointly exploring the two sides' political differences, increasing political mutual trust and dissolving differences through political dialogue

Beijing's Taiwan policy aims at achieving reunification through peaceful means. Therefore, political dialogue and negotiation is the only path to the settlement of cross-Strait political differences. At present, in absence of mature conditions for political negotiations, Beijing hopes to promote dialogues on cross-Strait political relations and differences between all social sections of the Mainland and Taiwan with the purpose of enhancing mutual understanding and trust and creating favorable conditions for official political dialogue and negotiation.

1. The foundation for inter-party dialogue is the 1992 Consensus

Beijing repeatedly made it clear that the 1992 Consensus is the cornerstone of cross-Strait exchanges, and without the Consensus, there will be no exchange. Based on relevant legal documents on both sides across the Strait, the Consensus has solid legal rationale. The Constitutional systems of the Mainland and Taiwan both stipulate that the Mainland and Taiwan belong to one China, thus maintaining the framework of one China in legal terms. However, the two sides define themselves differently in terms of their respective political positions and do not recognize the other side's political integrity. Therefore, the 1992 Consensus has been serving as a basic political consensus between the two. Recently, some politicians in Taiwan argue that the Consensus is only between Beijing and the KMT. But historical facts show that the ruling authorities across the Strait at that time agreed to keep the two sides' ties in legal terms by reaching the fundamental consensus which was based on each other's constitutional systems, in the absence of an agreement on the other side's political integrity. Therefore the consensus is the foundation of cross-Strait dialogue and the pillar of cross-Strait political trust.

Beijing insists that the DPP acknowledge the 1992 Consensus, hoping that in the event that the DPP is in power again, it will respect the status quo, and will not promote Taiwan independence in legal terms, cut off Taiwan's legal ties with the Mainland and define its policies from the perspective of "one China, one Taiwan."

2. Political dialogue aims at increasing cross-Strait political trust

Though all social sections on both sides have deepened their exchanges and interactions, the further development of cross-Strait relations requires political dialogue to dispel suspicion and strengthen political mutual trust. Su Chi, former Secretary-General of the National Security Council and Chairman of the Taipei Forum Foundation pointed out that all economic cooperation, all economic agreements, whether the ECFA or any of the other seventeen agreements, represent a certain degree of political mutual trust. Economic cooperation gets as far as political mutual trust can reach. Economic cooperation cannot get where political mutual trust has not yet reached. The core content of cross-Strait political mutual trust includes the two sides' perceptions and perspectives of the status quo and the future course of cross-Strait ties.

At the Xi-Wu meeting in Beijing this June, Wu Po-hsiung, the KMT's Honorary Chairman, said in his address that upholding the 1992 Consensus and opposing Taiwan Independence has been the shared position of both the CPC and the KMT, and the foundation of cross-Strait peace and development. Laws and institutions across the Strait all stick to the "One China" principle and define the cross-Strait relationship under the "One China" framework, not as a state-to-state relationship. It was the first time for a Taiwanese ruling party to use the one China

framework to describe the status quo of cross-Strait ties and to directly respond to the position of “One China” framework upheld by the Mainland. It was meaningful to the strengthening of political mutual trust between Taipei and Beijing, between the CPC and the KMT.

3. Political dialogue helps to address the Taiwan people’s concerns

The work report of CPC’s 18th National Congress stated that “We will make every effort to do anything that will promote the common wellbeing of the compatriots on both sides of the Taiwan Straits.” The Mainland has recognized that Taiwan’s engagement with the international community meets the needs of Taiwanese society and Ma Ying Jeou’s “pragmatic diplomacy” is different in nature from Chen Shuibian’s “beacon-fire diplomacy”. Yet, Taiwan’s engagement and involvement in international affairs is an intricate and complicated political issue, which cannot be addressed without cross-Strait dialogue and consultation. From Beijing’s perspective, sympathy from the people of Taiwan is indispensable in its peaceful reunification policy; the coexistence of Taiwan and the Mainland on the international stage would not help the people across the Strait to build a common identity. Therefore, dialogue and consultation is necessary when Beijing comes to face the dilemma of accommodating Taipei’s demands and respecting Taiwan people’s will on the one hand, and adhering to the “one China” policy and building a cross-Strait common identity on the other hand. Solution is only possible when there is consultation between the two sides. External forces can do nothing but to complicate and compound the current situation.

4. Cross-Strait political dialogue does not exclude the DPP

The work report of CPC’s 18th National Congress also stated that “We are ready to conduct exchanges, dialogue and cooperation with any political party in Taiwan as long as it does not seek Taiwan independence and recognizes the one-China principle.” Beijing hopes to conduct inter-party political dialogue and talks with the DPP, but it certainly will not tolerate the latter’s Taiwan independence policy. In this June, Frank Hsieh, the DPP’s former Chairman had a dialogue with Mainland’s scholars in a symposium held in Hong Kong. He pointed out that the two Constitutions on both sides across the Strait will not lead to the separation of Taiwan and the Mainland, because there is a special relation between the two Constitutions. The two sides should seek special relations through innovative thinking, for example, a common framework or other special frameworks. Hsieh no longer put Taiwan and the Mainland on a rival footing; instead, he is seeking common ground—the very reason why this symposium was possible.

However, Hsieh’s view has not become the mainstream within the DPP. Su Tseng-chang, Chairman of the DPP still insists that the core value of the DPP’s

Beijing policy relies on the independent sovereignty of Taiwan with the official name of “Republic of China”. Beijing is concerned about the DPP’s Beijing policy because though Beijing regards it impossible for the DPP to resume Chen Shuibian’s extreme policy of promoting Taiwan’s independence once the DPP takes power again, it is still possible that the DPP will put forward new policies on the basis of its position that Taiwan is a sovereign state and its relationship with the Mainland is that of a state-to-state nature. In that scenario, the cross-Strait status quo might be changed for worse. Such concern is the fundamental reason why the Mainland cannot build ties with the DPP.

III. Future challenges to cross-Strait peace and development

Peaceful means including cross-Strait dialogue and negotiations to settle political differences is consistent with the common interests of the Mainland and Taiwan, and it is also what the international community expects the two sides to do. Taipei and Beijing have kept stable and peaceful cross-Strait ties when the KMT is in power, thanks to the common political basis of the 1992 Consensus. A poll by the Mainland Affairs Council showed that 45% of the respondents regarded the speed with which the two sides interact with each other as just fine. A poll by the Taiwan media showed a similar result: 44.9% of the respondents were satisfied with the status quo of cross-Strait exchanges. Yet Taiwan has electoral politics, which means that political parties take turns to govern. If the DPP returns to power in the 2016 election and does not change its Beijing policy, it will create challenges to the peace and stability between Taiwan and the Mainland, reverse the course of cross-Strait exchanges and make Beijing adjust its Taiwan policy.