

**Track Two Dialogue on
EU-China-Relations and the Taiwan Question
Wujiang, 23-24 June 2011**

A workshop jointly organised by German Institute for International and Security Affairs / Stiftung Wissenschaft und Politik (SWP), Berlin and Shanghai Institutes for International Studies (SIIS), Shanghai, with the friendly support of the Robert Bosch Foundation, Stuttgart.

Discussion Paper
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**The Mainland's Taiwan Policy over the Last Year
Progress and Tendencies**

Yu Xintian
Director of Academic Committee, SIIS
President of Shanghai Association of Taiwan Studies
President of Shanghai Institute of Taiwan Studies

SWP

Ludwigkirchplatz 3-4
10719 Berlin
Phone +49 30 880 07-0
Fax +49 30 880 07-100
www.swp-berlin.org

I. Progress of the Mainland's Taiwan Policy over the Last Year

In the past year, based on the theme of Hu Jintao's "December 31 Speech," the mainland set the pivot of the cross-straits relations as peaceful development, seized historical opportunities and achieved positive transformation of the relationship. The specific methods to achieve the transformation include: from easy to difficult, economy first, politics second, multiple platforms including the Chen-Chiang summits, dialogues between the CPC and the KMT, reaching consensus through negotiation, putting away disputes, and achieving more cooperation, etc.

1. Strengthening the foundation of political mutual trust across the strait

To the mainland, the foundation of the cross-straits relations contains opposing "Taiwan independence," supporting the "One China" policy and the "1992 Consensus." This foundation has become not only the consensus between the CCP and the KMT across the strait, but also the consensus between the people across the strait. Since there are structural differences between the two sides, some people in the mainland doubt whether there are political foundation and trust across the strait. Some people even think that the KMT, same as the DPP, is only driven by benefits. However, the CPC and the Chinese government recognize the basic cross-straits political ideas of Ma Ying-jeou and the KMT, and acknowledge some positive responses Ma and the KMT have made toward the mainland. The mainland has made certain arrangements to enlarge Taiwan's international space.

2. Promoting trading normalization, systemization, and integration

After hundreds of negotiations, the two sides signed ECFA, an important achievement last year. The ECFA set up the goal of free trade of goods and services; established the Economic Cooperation Committee, a systematic platform of negotiations, and completed the "early harvest" plan. Fifteen agreements reached earlier were also listed in ECFA. With the help of the mainland, Taiwan's GDP reached 9.9% last year, ranking at the top among the "Four Asian Tigers." Cross-straits trade reached a new record of 1.45 trillion USD; the mainland's trade deficit reached 86 billion USD. There are different opinions on the mainland's "surrendering profits" to Taiwan. Some people think that trade should be mutually beneficial, and that unilateral surrender of profits will not sustain. Others think that the mainland has given too many profits to Taiwan. However, the government believes that ECFA, the most important agreement signed by the two sides across the strait in 60 years, carries great importance. The economic relationship is the basis of cross-straits peaceful

developments; the integration across the strait has to start with economic integration. Just like Deng Xiaoping said, only when the two sides are integrated well together, cross-straits relations will not be affected by different times and temporary incidents.

3. Supporting grand communication and cooperation between different sections across the strait

The mainland supports grand communication and cooperation between different social sections across the strait. Now the tendency has been in full swing and unstoppable. In 2010, 1.2 million mainland tourists went to Taiwan, contributing to a total of 1.6 million mainland visitors to Taiwan. The mainland sent nine delegations led by provincial leaders, and more ministry-level delegations to Taiwan. These delegations changed their working style and focused on the normal people and the south. They started a series of research and dialogues with a friendly and practical attitude, and received wide praise. Forums organized by the mainland have different functions; the Cross-Strait Forum is particularly for the grass-roots. Dialogues between local officials have also been frequent. Of course, there are doubts in the mainland why people in Taiwan have not changed their attitude towards the mainland; instead, polls show that supporters of the “Taiwan Independence” grew. But the government believes that it takes time for people to change their attitude. Being influenced by long time isolation, anti-communist propaganda, “Taiwan Independence” education, people’s mindset cannot be changed overnight. However, recently, the attitude of people in Taiwan has been changing. For example, in the past, about 60% of people thought that the mainland is unfriendly to Taiwan, now it has dropped to around 50%. Over 60% of the people in Taiwan support improving relations with the mainland, and the number is growing steadily, showing a positive tendency. This is especially rare in a divided society like Taiwan.

4. Developing cultural interactions, tightening connections between hearts

In recent years, the mainland government has realized that Chinese culture is the most common knowledge across the strait, and has thus promoted cultural communication and cooperation with great efforts. Every year, the trade and culture forum between the CPC and the KMT holds dialogues and discussions about a certain cultural subject, such as cooperation in cultural industry, etc. The mainland has welcomed people from Taiwan to participate in different fields, such as education, culture, science and technology, sports, and religion. Delegations from Taiwan can be seen in fields like literature, arts, exhibition, music, dance, painting, calligraphy, film and television, and news. The two sides have made great achievements in cooperation in films and television. The academic communities hope to realize the Renaissance of Chinese culture through communication and cooperation.

In the past, officials in the mainland usually focused on economic development and ignored cultural effects. But recently, they have started to change and put more emphasis on cultural developments. The two sides share a deep cultural connection, thus cultural communication is easier to develop. But certainly cultural communication nowadays is still superficial and needs to be deepened.

II. Tendencies of the Mainland's Taiwan Policy in 2011 and Afterwards

2011 is an election year in Taiwan. The mainland's Taiwan policy is to maintain stability, order, and positive development, and to make progress steadily.

1. Implementing trading agreements and ECFA "early harvest" plans to better integrate economies across the strait. Promote mainland investment in Taiwan. In addition, ECFA is only a structural agreement, whose contents need further negotiation. Originally, people assumed that the next agreement would be the investment protection agreement; now it is more possible that a nuclear safety agreement will be signed first.
2. Continuously promoting social and cultural communication; strengthening communication after the "three direct links." Now, the mainland has allowed independent travelers from Beijing and Shanghai to visit Taiwan; mainland students will be allowed to study in Taiwan soon. Consequently, there are many problems involved, including the recognition of diploma, employment of the youth, drawing talents; and these problems need policy promotion. Right now, it seems impossible to reach a comprehensive cultural agreement, but the two sides will promote specific cooperation in various fields.
3. If Ma Ying-jeou had a second term, the mainland would promote peace dialogue, discussion, and even negotiation of a peace agreement across the strait. Regarding this possibility, in the 2010 White Paper of National Defense, the mainland raised the issue of military contacts and communication and wished to discuss establishing military security mutual trust.
4. If the DPP took power without recognizing the "1992 Consensus," the CCP would not develop official party-to-party relations. The two sides would still keep contacts on specific issues, but it would also be depending on the DPP's policy.