

**Track Two Dialogue on  
EU-China-Relations and Cross Strait Relations  
London, LSE, 29-31 May 2009**

*A workshop jointly organised by Stiftung Wissenschaft und Politik (SWP), Berlin, London School of Economics (LSE), London and Shanghai Institutes for International Studies (SIIS), Shanghai, with the friendly support of the Robert Bosch Stiftung GmbH, Stuttgart.*

Discussion Paper  
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**The Development of Cross-Straits Relations since 2008**

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Important changes took place in the political situation in Taiwan at the beginning of 2008 when the DPP had to step down in an election Waterloo after eight years in office. The KMT's regaining of power made it possible for cross-Strait relations to take on the dynamics of peaceful development.

In retrospect, these changes can be said to be almost inevitable.

## I. Causes of the changes in the political situation

Three factors led to the above changes: First, peaceful development of the cross-Strait relations has become the mutual need for both sides across the Taiwan Strait. For Taiwan, favourable cross-Strait relationship has become a prerequisite for its further development in all fields. Especially its economic development depends upon the advancement of cross-Strait economic relations. Thus, no matter which political party is in power, the best option for Taiwan would be to enhance the exchanges, cooperation and negotiation on an equal footing across the Strait.

Similarly, it has become the Mainland's Taiwan policy in the new era to endeavour to construct a new framework for the peaceful development of cross-Strait relations and keep pushing it forward, so that both sides can benefit. In fact, more and more Taiwan compatriots are able to feel the sincerity of the Mainland in enhancing the peaceful development of cross-Strait relations and in the various policies that aim to benefit them. Many polls show that the number of Taiwan people who acknowledge the Mainland's goodwill has been rising over time, which reflects the increasing faith and resolution among them to support a peaceful development of cross-Straits relations.

Secondly, the DPP's poor governing record over its eight years in office drove the Taiwan people towards the KMT. With its "ideology first" principle, the DPP ignited "provincial conflicts," deepened the confrontation between "the Blue" and "the Green," and engaged recklessly in political party struggle, resulting in more and more disillusionment and criticism among swing voters. In terms of cross-Strait relations, the DPP also held a wholly confrontational stance by impeding the development of their economic relations, resisting the "3 direct links," and even seeking to increase tension and create crises across the Strait, for which Taiwan had to pay huge social costs and witness its economy being rapidly marginalized.

Thirdly, Chen Shui-bian's corruption case seriously tainted the image of the DPP. In a sense, Chen's corruption is a side product of his ill-governance—it is because he foresaw the DPP's fiasco in the election that he began to spare no efforts in hoarding dirty money as capital for his influence and future political engagement. As many DPP high-level officials were accomplices in Chen's corruption, they had nothing to do but try their best to support him, which further alienated those swing voters.

Therefore, it can be seen that the most important reason for the changes in the political situation in Taiwan in 2008 does not lie in the progress and achievements of the KMT, but in that the DPP obstinately stood in the way of the irresistible tides of the peaceful development of cross-Straits relations, which led to its ill-governance and corruption, so that it was eventually abandoned by the Taiwan people.

## II. Features of the development of the political situation across the Strait

Since the KMT took office in 2008, it has adopted many policies to embrace the peaceful development of cross-Strait relations, to enhance cross-Strait economic exchanges and cooperation as well as to begin with consultation and negotiation with the Mainland on equal footing, all of which adds much momentum to the peaceful development of cross-Strait relations. In general, three features can be found in the recent development:

Above all, mutual trust and consensus are growing across the Strait with both sides' ongoing gestures of goodwill and sincerity. The chief reason for the progress of cross-Strait relations with the KMT in power is that it acknowledges that the "1992 Consensus" is the foundation for the development of cross-Strait relations. On various occasions since he won the election, Mr. Ma Ying-jeou has emphasized that he would hold to the "1992 Consensus," thus making it possible for both sides across the Strait to begin resolving diverse issues in a pragmatic manner by tabling disputes and seeking common ground while reserving differences. Indeed, the DPP also understands the vital importance of maintaining favourable cross-Strait relations, yet due to its ideology, it persisted in confrontation with the Mainland, excluding itself from cross-Strait negotiation and thus failed to play a constructive role in the development of cross-Strait relations. As a consequence, the DPP found itself in a political dilemma: on the one hand, it keeps vilifying the positive cross-Strait policies of the Ma Ying-jeou authorities as "pro-Mainland" or "betraying Taiwan;" on the other hand, it is desperate in seeking ways of communication and cooperation with the Mainland.

Contrary to Chen Shui-bian's slyness and caprice, and even to Lee Teng-hui's duplicitous character, Ma Ying-jeou appears rather sincere and credible. Political observers in Taiwan generally believe that Ma's policies are more stable and predictable. Credibility has been the most important virtue for the Chinese people, for friendship and trust can only be built on mutual honesty and sincerity, and that lasting cooperation is to develop out of shared credibility. As the Chinese saying goes, "No one keeps succeeding without credibility." Thus, the credibility of Ma Ying-jeou and the KMT serves as an important basis for the enhanced mutual trust as well as pragmatic exchanges and cooperation across the Taiwan Strait.

Next, progress has been made in cross-Straits economic cooperation while cultural and people-to-people exchanges are prospering across the Strait. Both sides have achieved a number of consensuses in jointly promoting the peaceful development of cross-Strait relations, including “economy first and politics next,” “easy issues first and difficult ones next,” “being patient in making progress step by step,” developing mutual trust, tabling disputes, seeking common ground while reserving differences, and striving for a win-win situation, etc. Based on these principles, both sides have reached nine agreements and one consensus—mostly on economic cooperation—through three meetings between ARATS and SEF on an equal footing, including opening the “3 direct links” and beginning financial cooperation across the Strait, opening Taiwan for Mainland tourists, and promoting Mainland capital to invest in Taiwan, etc.

It is understandable why the development of cross-Straits relations over the past year rests on their economic cooperation. In modern times, developing economy and improving social wellbeing have become the primary goal for any governing party. The intertwining of economic globalization and regionalization speeds up the cooperation across the Strait so as to lower production costs and improve their economic competitiveness while the ongoing global financial crisis renders their financial and economic cooperation an even more pressing task. Therefore, either to solve short-term economic problems or to seek long-term economic development, both sides will benefit from their economic cooperation. As both follow the law of economics and the market, they are more likely to overcome the disturbance of political factors and conduct negotiation in a pragmatic matter. Then, the benefits of their economic cooperation will further enhance mutual faith and confidence in the peaceful development of cross-Strait relations, so as to lay the necessary foundation for the final resolution of political issues. Meanwhile, the cultural and educational institutions as well as other social causes will also develop with more exchanges and cooperation across the Strait, which is very conducive to mutual understanding—this itself has become an important part of the peaceful development of cross-Strait relations.

Finally, it must be noted that serious political disputes still remain across the Strait and that it is still very difficult to resolve such issues as formally ending hostility across the Strait and signing a peace agreement, which are going to be more serious political concerns for both sides. Actually, the imminent political challenge for both sides is not final reunification, but peaceful development of their relations. Yet all related issues boil down to the different understandings of both sides on the essence of the one-China principle, thus it is very difficult for either side to compromise. Besides, the DPP still holds onto its position for “Taiwan independence,” and many “pro-Green” Taiwan people are both expectant and apprehensive towards the peaceful development of cross-Strait relations. In other words, disputes and even conflicting views persist among both the public

and the political parties in Taiwan that are difficult to settle. The political disputes across the Strait may very well hinder further peaceful development of cross-Strait relations.

### III. Prospects for years ahead

The peaceful development of cross-Straits relations since 2008 marks a new phase of the development of their relations that features exchanges instead of separation, cooperation rather than confrontation, as well as common pursuit of mutual benefit and win-win results. People across the Strait have every reason to be happy about the progress in their relations. The following predictions may apply in the next years:

First, the continuous growth and advancement of the Mainland will remain as the pillar and foundation for the peaceful development of cross-Strait relations. The Mainland's enduring efforts to promote a win-win situation for both sides will add lasting momentum to the peaceful development of cross-Strait relations.

Secondly, the peaceful development of cross-Strait relations has become an irresistible tide. Realizing this, Ma Ying-jeou and the KMT will carry on with their positive policies for the peaceful development of cross-Strait relations. As more and more Taiwan people also begin to learn this, Ma's policies will be more warmly embraced by the mainstream Taiwan public. Especially in the next few years, with the benefits from cross-Strait economic cooperation taking effect, the Taiwan people will develop even stronger faith and confidence in the peaceful development of cross-Strait relations.

Thirdly, political disputes will remain a challenge to both sides, and their resolution relies greatly on the political situation in Taiwan. One factor is the DPP, which has been bogged down in a quagmire since it lost power in the elections. If the DPP refuses to adjust its political thinking and policy options in cross-Strait relations, it is not quite likely to win back the hearts of the Taiwan people in the next election. Likewise, if it fails to distance itself from Chen Shui-bian's corruption, it is impossible to recover its past image. Consequently, the DPP will always stay as an opposition party.

Finally, because the peaceful development of cross-Strait relations is in the interest of surrounding countries and regions and meets the expectation of the international society, it should be welcomed and supported by them. After all, very few would welcome the serious effect of Chen Shui-bian's eight years of "trouble-making" policies on the cross-Strait relations and on the international society. It is sincerely hoped that the peaceful development of cross-Straits relations will keep contributing to the peace and development of the world.