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Discussion Paper
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The Cross-Strait Relations Two Years after Ma Yingjiu Took Power

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1. Historic changes have taken place in the cross-Strait relations

1.1. By this May, it has been two years since Ma Yingjiu came into power. During the two years, “the cross-Strait relations achieved important progress and experienced a historic transition”¹.

The adjustments Ma Yingjiu has made to the Mainland policy are pretty large:

- (1) Reviving the “two organizations” negotiations immediately;
- (2) Lifting various restrictions on the cross-Strait communications;
- (3) Re-positioning the cross-Strait relations politically, setting the tone back to “One country, Two political entities” as his expression of “One country with two regions” indicated;
- (4) Proposing the cross-Strait “diplomatic truce” with relevant measures;
- (5) Changing the military strategy from the relatively offensive “fighting a war at sea” back to the defensive “defending solidly, blocking effectively”, which is also politically positive;
- (6) Adopting some counter-measures aiming at “de-sinification” like mandating the use of Chinese Pinyin, revising textbooks, memorizing anti-Japanese antecedent heroes among others.

All these examples indicate that Ma’s “non-independence” is absolutely not empty rhetoric.

1.2. “Taiwan Independence” still exists as a political force and is even very active. However, its ability to destroy the cross-Strait relations is significantly weakened due to the power transfer. It is estimated according to the current situation that the DPP has little chance to regain power; even if the DPP returned back in 2016, its mainland policy will need adjustment; and even without adjustments, it will need two years as a “transition” to return to its old track, which means that the cross-Strait peace is expected to last for ten years. For the peoples across the Straits, these ten years will be a very essential historic period and will decide whether the cross-Strait relations will go in the direction of war or peace.

1.3. The two councils’ negotiations and talks are getting more and more institutionalized, with 12 agreements, one joint statement and one MOU signed by the end of last year. Most people believe that ECFA will be signed smoothly in this June, though there are still controversies on whether to sign it within the island. Last year, Chen Yunlin’s 2nd visit of Taiwan was still protested by the public organized by the DDP; the scale and extent of the protest, however, was smaller and less intensive than that of the year before last; progressively Taiwan people will be accustomed to the visits of Mainland high officials since it has

¹ China News, Singapore, Nov. 14, by Journalist Zhou Zhaojun, On the 14th, the general secretary of the CPC Central Committee Hu Jintao and his wife Liu Yongqing met the chairman of the Chinese KMT Lian Zhan and his wife Lian Fangyu.

become a general practice that Mainland provincial high officials are continuously visiting Taiwan. The seminar “Below the Storm: 60 Years of Cross-Strait Connections” held in Taipei in the middle of last November was the first public seminar in Taiwan with the participation of decommissioned generals and retired ambassadors from the Mainland and the first time as well that scholars from both sides’ think tanks publicly discussed sensitive political issues in Taipei. From the response of Taiwan media and public, the possibility of starting “second-track” political dialogues seems not excluded. It is not impossible for think tanks across the Strait to enter this kind of dialogues. Even the DPP perceived this fine change of the attitude of people, therefore, Cai Yingwen expressed the point of “being willing to hold dialogues with the Mainland without prescribed conditions”.

1.4. The goal of “three direct links” across the Strait we have pursued for decades has been achieved in general. The general realization of the “three links” and the signing of ECFA will greatly improve the “daily life circle” across the Strait, bringing the cross-Strait commercial communication and personal exchanges to a new level. Mainland tourists are entering the island in large numbers, they are expected to reach 1.5 million this year. With the RMB getting freely exchangeable within the island, the capital of Taiwan origin is getting more protection in the Mainland, more and more Taiwan people are involved in commerce, work and studies in the Mainland; cross-Strait marriages are increasing; and the cross-Strait society integration is deepening. More cooperative opportunities and mechanisms are constructed across the Strait in mutually supporting disaster rescue, epidemic prevention, combating crime and even other areas. It is only a question of time for Mainland capital to enter the island.

1.5. The ruling parties across the Strait have established good cooperative relations. Although there are still many disputes and differences between the KMT and the CPC that are difficult to solve in short time, the mainstream of the two parties’ relations will be to construct a peaceful, reconciled and cooperative atmosphere. The reasons are:

(1) Both sides have learned much from the past history and have a better understanding about each other’s bottom line, realizing the needs to shelve instead of provoking disputes and to reach a compromise.

(2) The two parties strengthened their implicit agreement and mutual trust in the issue of sticking to “One China” principle and countering “Taiwan Independence”. In the past several years both sides shared cooperative experiences in countering “Taiwan Independence” and established institutional dialogues and communication platforms between the two parties.

(3) The top priority of the Ma Yingjiu administration is to revive the economy, for which Ma is well aware that the most effective approach is to improve relations with the Mainland, while the Mainland side has always been expecting to

promote cross-Strait commercial exchanges and personal communications to a new level.

Therefore, both sides share a wide variety of policy choices.

Why does General Secretary Hu consider the shift of cross-Strait relations as a “historic” one? As I personally understand, there are five reasons:

(1) It is only this time that the cross-Strait relations achieved so much results and progress altogether in the 60-year-long history, not to mention that these were realized in two years only.

(2) Exactly due to this shift, the CPC Central Committee issued the strategy of “Peaceful Development” toward Taiwan, which is a significant complement to and development of the fundamental policy of “Peaceful Reunification” and will become the guiding principle of Taiwan affairs for a pretty long time in the future.

(3) The fundamental effects of the structural changes brought by this shift, e.g. general realization of the “three links”, institutional changes of CPC-KMT relations, and the upgrading of cross-Strait commercial relations etc. are set to last at least for the future 10 or even 20-30 years.

(4) This shift occurred at a key point of China’s rise, which heavily destructed the momentum of “Taiwan Independence”, put the most sensitive Taiwan factor in the China-US relations under control, significantly reduced the threats of cross-Strait war and stabilized the period of strategic opportunities that is very essential for the modernization drive.

(5) This shift has led to qualitative changes in both the major conflict of cross-Strait relations and the priorities of our Taiwan affairs, i.e. changing from the cross-Strait relations focusing on fierce fight with the force of “Taiwan Independence” to cross-Strait relations where political forces from the Mainland and Taiwan agreeing on the “1992 consensus” cooperate, reconcile and co-build a peaceful development framework.

2. Uncertainties still exist for peaceful development

It has been only two years since the historic changes occurred in cross-Strait relations. The “Taiwan Independence” forces are still very active on the island. The international forces which are not willing to see China’s reunification are still obstructing. The structural contradiction that has existed for 60 years is not solved yet, while the upgrading and enlarging of cross-Strait exchanges would inevitably bring in new issues. All these factors indicate that different scenarios of Taiwan’s prospects are still in fierce competition. Will the peaceful development be an irreversible grand trend for cross-Strait relations? There will be no absolute yes or no for an answer, at least in the early and middle term of peaceful development.

The impact of the uncertainties on both sides is reflected in four points:

2.1. Both sides are cautious to keep a gap between their expectations for the ultimate goal and peaceful development. The Mainland is very clear that the ultimate goal must be reunification; however, the Mainland is well aware that conditions will not suffice for reunification at the stage of peaceful development. Therefore, the highest goal the Mainland expects for negotiations is to try to build a framework for peaceful and stable development across the Strait. In other words, the Mainland opposes “non-reunification” but can accept “delayed reunification”, which in effect leaves room for avoiding direct conflict with “non-reunification”.

On the other hand, the Taiwan side only talks about what they don't want, but keeps silent about what they want. That Ma Yingjiu chooses this expression of deliberately avoiding the ultimate goal reflects and adds as well the uncertainty of peaceful development.

2.2. Both sides consider the peaceful development stage as a transition to the ultimate goal, or an interim phase from “countering independence as priority” to “talking about reunification together” as the Mainland terms it. Since this is a “transition stage”, any agreement signed and framework built in this period are subject to change or, in other words, are not permanent, which cannot and should not either bring the effect of legalizing, stabilizing or perpetuating the “status quo”.

2.3. Due to this uncertainty, both sides are not even sure about whether they could sign a peaceful agreement, and thus need “crossing the river by feeling the stones”. Therefore, they can only choose the approach “from easy to difficult, from economics to politics”, achieving what they can achieve first, reaping the fruits that have matured first so as to build mutual trust, improve the feelings about each other and construct more and stronger interests and ties linking both sides.

2.4. Uncertainties indicate that contradiction and friction will not disappear in the long term between the two sides, which could even inevitably develop into certain conflicts. Thus both sides need to strengthen the consciousness of “crisis management”. It is unavoidable that both sides could do something the other side is not willing to see, or say something the other side is not willing to hear; but up to now, both sides are careful not to exaggerate the hostility of the other side, cautiously reminding themselves not to lose minds because of any minor displeasure and not to get penny wise and pound foolish.

Many people recognize the uncertainties and hope to remove or at least reduce them through an early launch of political dialogue and negotiation and an early signing of a peaceful agreement, the substance of which is to ask the Taiwan side to make a commitment on its orientation in reunification. Certainly this expectation has nothing to blame and should be promoted sooner or later; however, it should be reminded that the root of uncertainties lies in the interplay of

various political forces in the Taiwan issue. Therefore, if only there is no fundamental change about the power structure, uncertainties will still exist even with a peaceful agreement signed and Ma Yingjiu's clear commitment on reunification. Judging from the current situation, the two sides across the Strait have in effect different expectations. Even if the Taiwan side is willing to pursue reunification, it could not agree to the reunification model of "One Country Two Systems". At present both sides could cooperate on many areas and should not waste time disputing about this. More haste in pushing political negotiations could lead to less speed.

3. Challenges or "potential concerns" facing the cross-Strait relations

3.1. The issue of the Taiwan administration's political status

Specifically this is about the political and legal status of "Republic of China", or the legal status of the Taiwan administration in negotiations or even in signing a peaceful agreement across the Strait. In effect, the fact that the Mainland accepts the Taiwan side as a negotiation partner indicates the Mainland's recognition of Taiwan's legality, though an "implicit" one only. When political and security issues are concerned in need of signing officially binding documents, Taiwan will not accept an "implicit recognition", but will demand a clear settlement of the issue "Who I am". However, it could be very difficult to find a mutually acceptable solution to this question for a relatively long period. The only realistic choice for both sides will be to keep "creatively vague" and leave room for "expression on each own". This foretells that it could be very difficult for the two sides to sign a peaceful agreement with political contents.

3.2. The issue of Taiwan's international space

Many countries would like to see Taiwan have wider international space after improving relations with the Mainland. Taiwan people share this expectation, too. On this issue, I personally think the following several points should not be ignored: 1. Currently the policy adjustments of the two sides across the Strait indicate a trend of connecting tracks in that Taiwan adopted some measures different from the past in "diplomacy" while the Mainland responded with goodwill as well. 2. This issue occurred due to historic reasons, for which both sides have basic interests to defend. The solution needs mutual understanding and mutual compromise, involves mutual efforts of both sides instead of settling a single offer-and-pay bill. 3. On the one hand, the Mainland needs to make some compromise, at least agreeing to Taiwan joining in some international organizations in an appropriate name; while on the other hand, the Mainland is very concerned that the enlargement of Taiwan's international space will obstruct reunification in the future and at the same time needs to keep assured that "Taiwan

independence” cannot gain more momentum if the Taiwan administration sets back. It is a new challenge for Beijing to find a balance between these two actually contradictory policy goals. 4. The two sides should consider from the perspectives of “shelving disputes” and “creating obscure space”, instead of highlighting “sovereignty” on its own. Any responsible ruler in Taiwan should have realistic understanding about the international situation and Taiwan’s own international influence, avoiding any demands inappropriate to its identity. It is nothing else but shooting itself in the foot if Taiwan talks about the three principles of “sovereignty, equality and dignity” everyday, boosting the public expectation to a very high level, but cannot achieve them. 5. Settlement of this issue should not bring too much shock to the prevailing international relation framework and international law system, e.g., the issue of Taiwan’s participation in any international organization entails first of all the respect of this organization’s statutes. In many occasions, the Mainland will find it difficult, even if it desires, to ask international organizations to change their statutes specifically for Taiwan. I also personally feel Beijing is not happy to see Taiwan launch any international campaign for this. 6. For the issue indeed involving Taiwan people’s demands, the Mainland is in good faith to seek mutually acceptable solutions, in sincere hope of meeting the needs of Taiwan people to the largest extent. “Hu’s six points” mentioned that “we understand the feelings of Taiwan compatriots for participating in international activities and pay great efforts in finding solutions to relevant questions”², which hints that Beijing does not generally regard Taiwan’s demand for larger international activity space as equal to “Taiwan independence”. The speech made the judgment that “it is beneficial for the advancement of the overall interests of Chinese people if the two sides across the Strait can avoid unnecessary internal rifles in foreign affairs”, and proposed to make “reasonable and fair” arrangements on the issue of Taiwan participating in activities of international organizations if no condition of “two Chinas”, “One China, One Taiwan” is created.³ There indicate both goodwill response to the Taiwan administration and clear bottom line and scope of the cross-Strait games on these issues.

3.3. The issue of Taiwan’s security concerns

No matter how stable the cross-Strait relations are, the following three points will be natural and reasonable from the perspective of Taiwan if only reunification is not realized:

(1) requiring the Mainland to stop military threats toward Taiwan and eliminate missile deployment aiming at Taiwan;

² Hu Jintai, “Let Us Join Hands to Promote the Peaceful Development of Cross-Straits Relations and Strive with a United Will for the Great Renaissance of the Chinese Nation”, *People’s Daily*, Jan.1, 2009, p.1.

³ See *ibid.*

- (2) Taiwan will continue purchasing weapons from the US and other countries;
- (3) Taiwan demands to join in the collective security system in the North-east Asia or South-east Asia led by the US.

It is estimated that with the improvement of the cross-Strait relations the Mainland will respond to these several pursuits in different ways, i.e., making compromise in some occasions, expressing objections but without actions in some other occasions, while still firmly resisting in other occasions. Of course, if the two sides can negotiate about the establishment of military mutual-trust mechanisms, these security concerns of the Taiwan side could be expected to be solved together with the issue of military mutual-trust mechanism.

3.4. Issues rising from the cross-Strait communications

Some Taiwan businessmen could return back to Taiwan after the “three direct links” are realized. Expansion in tourism does not necessarily improve mutual feelings, or even leads to the opposite. Many emergencies could happen during the exchanges, (such as the Mainland tourists could clash with mobsters in Taiwan). Even minor incidents, if settled not properly enough, or just responded not promptly enough, could be used by DPP to make a fuss, (such as the “Sanlu Milk Powder” incident). From this perspective, the cross-Strait relations are in effect rather volatile.

3.5. The issue of political gap across the Strait

Ma needs to seek a balancing point at which he can express his opposition but will not irritate Beijing so much on the issues of democratization of the Mainland, Falungong and Tibet.

New thoughts are needed to go beyond these obstacles: How to express Taiwan’s political status? How to avoid the contradiction between expanding Taiwan’s international survival space and sticking to the “One China” principle? How to differentiate the “conquest-type reunification” from the “cooperation-type reunification”? What are the implications, approaches, motivations etc. of the “cooperation-type reunification”? If cross-Strait relations go in the direction of a sort of “joint proceeding” reunification in the future, then how to build the “joint proceeding” mechanism and set the agenda? Who is to judge if there are any disputes? What are the relations among peace, development and reunification? What is a win-win situation? What does the Mainland want to gain? And what does Taiwan want? Could win-win be achieved if what one side desires is exactly what the other side cannot afford to give? What is the relationship between building the peaceful mechanism across the Strait and “no use of force, no independence and no reunification”? In addition to the political mechanism based on peaceful agreement, what other areas’ mechanism-building should or could this “framework” involve? What relations should be between and among the negotiation mechanism, economic cooperation mechanism, cultural cooperation

mechanism and military mutual-trust mechanism? How to link the peaceful mechanism across the Strait with the ultimate goal of cross-Strait reunification? - All these questions among others need wider perspectives and more open minds of us to seek new strategies and approaches.