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AN ASSESSMENT OF CHINA’S TAIWAN POLICY UNDER THE THIRD GENERATION LEADERSHIP

Abstract
The Taiwan policy of China’s third leadership generation focuses primarily on the hope that the Taiwan issue will not delay or undermine the progress of China’s economic development. China’s Taiwan policy is founded on two basic pillars: “utilizing the U.S. to suppress Taiwan” and “appealing to the Taiwanese public.”

Introduction
The Chinese Communist Party (CCP) held its 16th National Party Congress on November 8, 2002. Subsequently, the Chinese government held its 10th National People’s Congress (NPC) on March 5, 2003. These two congresses marked the debut of the fourth generation of Chinese leaders, led by Hu Jintao, who was appointed CCP secretary-general in November 2002 and Chinese state president in March 2003. Except for Hu, all members of the CCP Politburo standing committee, China’s highest power apparatus, retired and were replaced by eight leaders of the fourth generation. Hu’s predecessor, Jiang Zemin, retired from his last remaining positions as chairman of the Party’s Central Military Commission (CMC) at the 5th Plenum of the 16th Congress in October 2004 and the State’s CMC at the NPC session in March 2005. The CMC is China’s highest decision-making mechanism on military affairs.

Amid the power transition between generations of Chinese leaders, this article assesses the Taiwan policy of China’s third generation, with Jiang Zemin...
as the core, while elaborating on the prospects of the fourth generation’s Taiwan policy, with Hu Jintao as the core. First, the article will discuss the background and evolution of China’s Taiwan policy after Chen Shui-bian was elected Taiwanese president in March 2000 and before the 16th Party Congress in November 2002. Second, it will elaborate on the meaning of Jiang Zemin’s political report regarding Taiwan at the 16th Party Congress. Third, it will discuss Chinese observers’ and officials’ thoughts on the country’s Taiwan policy against the backdrop of the 16th Party Congress and the 10th People’s Congress. Finally, it will offer an overall assessment, as well as a prospectus for China’s Taiwan policy.

In addition to standard documentation, the research for this article consists of detailed interviews conducted primarily during three trips to China between November 2002 and March 2003. During November 18–26, 2002 (after the 16th Party Congress), I was involved in a group with my colleagues at the Institute of International Relations (IIR) of the National Chengchi University in Taiwan on a visit to Beijing and Shanghai. We were invited by the Research Center of Cross-Strait Relations (RCCSR), a Chinese semi-official research institution in Beijing. Between February 27 and March 3, 2003, I was involved in a group with a congressman and associates of Taiwan’s Democratic Progressive Party (DPP), Taiwan’s current ruling party, visiting Nanjing and Shanghai at the invitation of Nanjing University. During March 21–28, after the 10th People’s Congress, I was involved in a group with my IIR colleagues, visiting Shanghai and Beijing. As before, we were invited by the RCCSR.

During our trips, we conducted extensive interviews with Chinese senior scholars of Taiwan Studies and International Relations, as well as with local and central officials in Beijing, Shanghai, and Nanjing involved with Taiwan matters. We visited more than 15 institutions during the November 2002 trip, three during the February-March 2003 trip, and 14 during the March 2003 trip. In order to protect my interviewees and maintain future cooperation between the Chinese institutions and the IIR, I shall not identify their names or specify interview dates.

China’s Taiwan Policy Prior to the 16th Party Congress

On March 18, 2000, Chen Shui-bian of the DPP was elected president of the Republic of China (ROC) on Taiwan. Prior to the presidential election, Beijing had hinted several times that if Chen were elected, Beijing might use military force against Taiwan.1 After the election, however, Beijing did not adopt a

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harsh response, but instead followed a low-keyed “listen to what he says, and watch what he does” approach toward the new Taiwanese president. Then-Chinese President Jiang Zemin, Premier Zhu Rongji, and Vice Premier Qian Qichen all openly took the stance that China could not afford to use military force against Taiwan because such action could jeopardize China’s economic development. Furthermore, from March 18, 2000, until July 24, 2002, Beijing never directly criticized Chen Shui-bian by name in its official media.

Indeed, Beijing began to adopt a series of comparatively lenient policies toward Taiwan. First, it adopted a more lax definition of the one-China principle. Initially, in Jiang Zemin’s Eight-Point Proposal on cross-strait relations presented in January 1995, “one China” meant: “There is only one China in the world; Taiwan is an inalienable part of China; China’s sovereignty and territorial integrity cannot be separated.” China’s Taiwan Affairs Office of the State Council emphasized that this definition would not, and should not, harm the status of the government of the People’s Republic of China (PRC), which represents the sole legitimate government of China in the world. In the February 2000 White Paper, “The One China Principle and the Taiwan Issue,” Beijing continued to use the same definition of “one China.”

After Chen Shui-bian was inaugurated on May 20 that year, Beijing revised the one-China principle as follows: “There is only one China in the world; China’s sovereignty and territorial integrity cannot be separated.” On international occasions, “one China” refers to the PRC government as the sole legitimate government. Nevertheless, in dealing with cross-strait relations, “one China” does not refer to the PRC—Taiwan and the Mainland are both parts of China. This was very similar to Taipei’s definition adopted by the former Kuomintang (KMT)


3. On July 25, 2002, China’s Xinhua News Agency criticized Chen Shui-bian by name for the first time, for saying when taking over the chairmanship of the DPP that “Taiwan wants to take its own way.” Wang Cuo-zhong, “Xinhua News Agency Criticizes President Chen by Name for the First Time,” Zhongguo Shibao, July 26, 2002, p. 11.


5. Ibid., pp. 95–96.

government in August 1992. Up until the 2000 statement, Beijing had not accepted this wording, but after Chen Shui-bian assumed office, the new definition was accepted. Meeting with Taiwanese visitors in mid-July 2000, Qian Qichen confirmed the new definition, which he has consistently adopted in explaining China’s Taiwan policy.

On September 11 that year, during a media interview, the vice premier clarified the new definition of “one China”: “There is only one China in the world; both the Mainland and Taiwan belong to one China; the sovereignty and territory of China cannot be split.” In the Government Work Report of March 2002, Zhu Rongji reaffirmed Qian’s new definition. In September, for the first time, at the United Nations General Assembly, then-Foreign Minister Tang Jiaxuan adopted the new definition of “one China” within the international realm, emphasizing that “both [the] Mainland and Taiwan belong to one China.”

Second, Beijing no longer insisted that acceptance of the one-China principle was a prerequisite for negotiation of the “three direct links” (direct trade, postal, and transportation links between Taiwan and China). Until August 2000, China had insisted that Taiwan accept the one-China principle before the two sides could discuss the “three direct links.” After August 2000, Qian Qichen began to emphasize that establishing the “three direct links” did not mean the two sides needed to resolve political issues first. As long as the links were regarded as the internal affairs of one country, this issue could be solved through private-to-private, industry-to-industry, and company-to-company channels. Qian added that neither side could display flags on its ships involved in cross-strait exchanges because flags are symbols of sovereignty.

In July 2002, Qian Qichen stated that the “three direct links” could be implemented as soon as possible without referring to the political meaning of the one-China principle, as long as they were considered the internal affairs of one

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country. He added that negotiations could begin, provided that Taiwan’s relevant private organizations were authorized to take part. In this way, Beijing de-emphasized the political significance of the “three direct links,” and the one-China principle was no longer kept as the prerequisite for negotiation on the links.

Nevertheless, Qian Qichen’s proposal was quickly refused by Chen Shui-bian. Chen argued that the phrasing “internal affairs of one country” was equivalent to “one China,” which localized and marginalized Taiwan. As a result, Qian put forward a new statement in October, defining cross-strait air and sea links as “cross-strait routes.” At the same time, Qian said that China would separate negotiations on the “three direct links” from Taiwan’s 2004 presidential election without considering whether the ties would help in Chen Shui-bian’s reelection effort.

After the DPP became the ruling party in May 2000, the evolution of China’s Taiwan policy can be divided into three stages. The first began when Chen Shui-bian assumed office in May and China adopted the policy of “listen to what he says, and watch what he does.” The second stage began after Chen, in January 2002, for the first time publicly supported the notion of adding the word “Taiwan” to the ROC passport. Thereafter, China characterized him as a supporter of incremental Taiwan independence. The third stage began after Chen’s “one-country-on-each-side theory” was issued on August 3 that year. China thereafter portrayed him as a “stubborn” supporter of Taiwan independence. For instance, at the end of September, Zhou Mingwei, deputy director of the Taiwan Affairs Office of China’s State Council, said that the period of Beijing’s “listen to what he says, and watch what he does” policy had ended and that Beijing had no more illusions about Chen Shui-bian regarding his stance on Taiwan independence.

Indeed, Beijing has become highly mistrustful of Chen Shui-bian, with officials arguing that his China policy has fluctuated widely and asserting that his aim is still Taiwan independence. They see his other policies as being simply election tricks and a smokescreen for independence; the goodwill expressed in

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15. Author interview with a senior scholar of Taiwan Studies, Beijing, November 2002.
16. In remarks to the 29th Annual Meeting of the World Federation of Taiwanese Associations, Chen Shui-bian said, “Taiwan and China stand on opposite sides of the Strait; there is one country on each side.”
Chen’s earlier policy was frequently contradicted by his later policies. Consequently, Beijing has not responded positively or promptly to Chen’s initiatives on cross-strait relations.

For example, in his cross-century remarks on December 31, 2000, Chen proposed an “integration theory”: future political integration through economic and cultural integration.\(^{18}\) This was a significant breakthrough in the DPP’s China policy because in the past, the DPP had never discussed or proposed any possibility of political integration between Taiwan and China. However, on March 19, 2001, Chen told leaders of the World Taiwanese Congress that the term “integration” referred mainly to a process for cross-strait rapprochement and would not necessarily lead to unification.\(^{19}\) This statement prompted reservations in Beijing about the sincerity of Chen Shui-bian’s policy. A similar reaction occurred when Chen Shui-bian in May 2002 delivered the “Tatan Talk” on a Taiwan-held island close to the Mainland in which he reiterated the “integration theory” and endorsed the “three direct links” and party-to-party contacts between the DPP and the CCP.\(^{20}\)

Analyzing the Political Report to the 16th Party Congress Regarding Taiwan

In November 2002 in Beijing, on behalf of the CCP Politburo, Jiang Zemin delivered his political report to the 16th Party Congress, describing the policy consensus and guidelines for future policies of the CCP.\(^{21}\) His report on Taiwan policy contained five “no changes”:\(^{22}\)

1. no change in the fundamental principles of “peaceful unification” and “one country, two systems” (a Chinese formula for future unification);
2. no change in the one-China principle and no change on opposition to Taiwan independence;
3. no change in the position that bilateral negotiation and talks should proceed on the basis of the one-China principle;

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18. In his cross-century remarks, Chen said, “The integration of our economies, trade, and culture can be a starting point for gradually building faith and confidence in each other. This, in turn, can be the basis for a new framework of permanent peace and political integration.”


20. Author interviews with two senior persons involved with Taiwan, Beijing, November 2002; three senior scholars of International Relations, Beijing, November 2002; a senior scholar of Taiwan Studies, Shanghai, November 2002; a senior person involved with Taiwan, Shanghai, November 2002; and three senior scholars of International Relations, Shanghai, November 2002.


22. Author interview with a senior scholar of Taiwan Studies, Beijing, November 2002.
4. no change in the position that China would not interfere in bilateral economic and non-governmental exchanges (including the “three direct links”) for political reasons;
5. no change in the guideline of placing hope on the Taiwanese people.

Jiang’s report contained five sets of new ideas on China’s Taiwan policy. These are presented here, along with analysis. First, China formally included a new definition of “one China” in the political report of the 16th Party Congress: “There is only one China in the world. Both the Mainland and Taiwan belong to China. China’s sovereignty and territorial integrity brook no division.”

It should be noted that China has merely paid lip services to Taiwan without taking concrete measures to demonstrate its goodwill concerning the cross-strait relationship or the Chinese and Taiwanese respective positions in the international community. In practice, based on the author’s interviews, it is clear that Beijing still emphasizes that there is only one China in the world; of paramount importance is the idea that there can only be one representative of a sovereign state in the world.\(^{23}\)

In other words, there is no further international space for Taiwan, because the majority of countries and international organizations recognize the PRC government as the sole legitimate representative of China. The 2003 debate over Taiwan’s participation in the World Health Organization (WHO), detailed below, exemplifies China’s real intention of using the new definition as a tactic to pressure the Taiwanese government into accepting the one-China principle.

Second, Beijing proposed that “on the basis of the one-China principle, let us shelve for now certain political disputes and resume cross-Strait dialogues and negotiations as soon as possible.” According to the author’s interviews, this means that Taiwan must accept the so-called “1992 consensus” without discussing the meaning of “one China” in advance.\(^{24}\)

Nevertheless, the one-China principle (and its policy implications) is the most contentious political dispute between Taiwan and China and thus the main reason for the current bilateral deadlock. For that reason, it would be unrealistic to “shelve for now political disputes” and resume dialogue if Taiwan must first accept the one-China principle, in effect making major concessions to China.

\(^{23}\) Author interviews with a senior scholar of Taiwan Studies, Shanghai, November 2002; and a senior person involved with Taiwan, Beijing, March 2003.

\(^{24}\) In late 1992, Taiwan and China reached an agreement to orally express the term “one China” in their own ways. Taipei stressed that Taiwan and China had different interpretations of “one China” so that China should not suppress the usage “Republic of China” in the international arena. Beijing emphasized that both sides reached agreement to insist on using the one-China principle. In practice, Taipei and Beijing have different interpretations of the 1992 consensus and continued to confront each other in the international arena over the “one-China” principle. Author interviews with a senior scholar of Taiwan Studies, Shanghai, November 2002; and a senior scholar of International Relations, Shanghai, November 2002.
Third, China proposed that “under the prerequisite of one China, all issues can be discussed. We can discuss the issue of officially ending cross-Strait hostility, we can discuss the issue of the Taiwan area’s economic, cultural, and social activities that are compatible with its status in the international arena, and we can also discuss the issue of the Taiwan authorities’ political status.” (These are hereafter referred to as the “three can-discusses.”)

This proposition dates back to the 14th Party Congress of October 1992. At that time, China proposed that “under the prerequisite of one China, all issues can be discussed.” Commemorating Jiang’s Eight-Point Proposal at the end of January 2000, Qian Qichen proposed the “five can-discusses.” He emphasized that both sides could discuss the “issue of officially ending cross-Strait hostility; the ‘three direct links’ long awaited by compatriots on both sides; economic relations after the WTO entry of the two sides; the international space for economic, cultural, and social activities of Taiwan that suit it; and the political status of the Taiwan authorities.” Yet, two years after Chen Shui-bian’s election as president, China returned to its pre-2000 policy line.

Regarding Taiwan’s international space, Chinese scholars interviewed by the author have generally asserted that as long as Taiwan accepts the “1992 consensus,” the discussion could be quite broad. A senior Chinese person involved with Taiwan explained, “As long as statehood is not required for accession to a given international organization, China will not object to Taiwan’s joining. The key is that Taiwan must have a clear status as part of China. For example, Taiwan can participate in the Olympic Games, the Asian Games, the Asia-Pacific Economic Cooperation, and the World Trade Organization under the name of Chinese Taipei. There are more organizations for Taiwan to participate in.” But Taiwan is already a member of the above organizations, and China has not raised prospects of Taiwan joining other organizations.

As for international organizations with statehood requirements, according to the author’s interviews, China will not object that—under the prerequisite of “one China”—the two sides can discuss and exchange views on this topic, figuring out a means that both sides can accept. However, when interviewed by the author in March 2003, a senior Chinese person involved with Taiwan ruled out the possibility of Taiwan’s joining the WHO, even as an observer. Subsequently, in late May, Chinese Vice Premier Wu Yi told the WHO’s annual

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26. Author interviews with a senior scholar of International Relations, Beijing, November 2002; a senior scholar of Taiwan Studies, Shanghai, November 2002; and two senior scholars of International Relations, Shanghai, November 2002.

27. Author interview with a senior person involved with Taiwan, Beijing, November 2002.

28. Author interview with a senior person involved with Taiwan, Beijing, November 2002.

29. Author interview with a senior person involved with Taiwan, Beijing, March 2003.
congress that “Taiwan, as a province of China, has no right to participate in the WHO.”

Wu Yi’s statement overruled Beijing’s new definition of the one-China principle. Furthermore, reacting to Taiwan’s argument that it badly needed the WHO’s assistance in the battle against Severe Acute Respiratory Syndrome (SARS), Wu said “the central government” (i.e., Beijing) would consider the request if Taiwan wanted external assistance. At a press conference in June, a Chinese Foreign Ministry spokesman said that since Taiwan had been seriously affected by SARS, “the central government of China” had agreed to let five experts from Taiwan invited by the WHO attend the meeting. Evidently, China’s new definition of the one-China principle was only propaganda aimed at the international community (particularly the United States) and Taiwan’s society, an effort at pressuring the Taiwanese government to accept the principle. Essentially, China has no concrete proposals that demonstrate its intention to effectuate the new definition.

Regarding “the Taiwan authorities’ political status,” Beijing, despite not recognizing the ROC, has realized that it must pragmatically face, and appropriately deal with, the reality of the ROC’s existence. That is, under the prerequisite of one China, the statement that both sides “can discuss the issue of Taiwan authorities’ political status” meant, in fact, to “discuss the issue of the ROC.” Nevertheless, on the eve of the 16th Party Congress, the Taiwan Affairs Office of the Chinese State Council issued a policy brochure called “The Taiwan Issue ABC” in which it pointed out that the legal authority of the ROC ended in 1949; therefore, the Taiwan government was only a local authority within Chinese territory. Either Chinese officials have not yet reached internal consensus on this point, or they are simply playing a propaganda trick on Taiwan and the United States.

Fourth, although “placing hope in the Taiwanese people” was retained in Jiang’s report, the phrase “placing hope in the Taiwan authorities,” previously included in many Chinese policy statements, such as Chinese President Ye Jianying’s nine-point proposal to Taiwan on September 30, 1981, was absent, because Beijing asserts that Chen Shui-bian is an obstinate supporter of Taiwan independence. “[P]lacing hope on the Taiwanese people” referred to promoting cross-strait, multi-aspect, and multi-level exchanges, including the “three direct links” and exchanges at the local level. Other than bilateral exchanges, Beijing has offered no positive policy initiatives. Fifth, although

31. Author interviews with a senior person involved with Taiwan, Beijing, November 2002; and a senior scholar of Taiwan Studies, Shanghai, November 2002.
32. Author interviews with two senior persons involved with Taiwan, Beijing, November 2002; and a senior scholar of Taiwan Studies, Beijing, November 2002.
China had said many times in the past that “the Taiwan issue cannot be delayed indefinitely,” this was the first time the statement has been included in an official Party report. Its presence prompts people to speculate whether China has a “timetable for unification.”

There are two occasions under the third generation of leaders that hint at a timetable. First, when interviewed by British media in October 1999, Jiang Zemin stated: “The goal of China’s modernization drive is basically to achieve modernization by the middle of the next century . . . [and] ultimately resolve the Taiwan issue and accomplish the great cause of China’s reunification.” In response to foreign concerns over whether China would resolve the Taiwan issue before the middle of the 21st century, Beijing quickly denied that Jiang had proposed a timetable for unification.

The second occasion is documented in the second White Paper on Taiwan of February 2000, where the PRC put forward three conditions for using force against Taiwan. The third condition (known as the “third if”) said that China might use force “if the Taiwan authorities indefinitely reject peacefully resolving the issue of cross-Strait reunification through negotiations.”

Accordingly, Taiwan speculated that China would coerce Taiwan into negotiations as soon as possible over unification through military force. However, this speculation was never confirmed by the Chinese government. In September 2001, Qian Qichen contended publicly that—provided Taiwan accepted the one-China principle—China could wait patiently with respect to unification. This statement obviously rejected the “third if” in the White Paper, and thus rebutted the speculation about Beijing’s urgency for unification.

The general view held by Chinese scholars and officials involved with Taiwan is that as long as Taiwan does not declare independence, China will not use force against it. The scholars and officials emphasized that for the time being, China plans to concentrate its energy on its own economic development and therefore, in support of that goal, preventing Taiwan independence is Beijing’s main purpose. In the interviewees’ reading, China does not intend to unify with Taiwan in the short term, much less accomplish cross-strait unification by military force. In sum, it is quite apparent that Beijing has no “timetable for unification.”

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35. Author interviews with two senior persons (one with a military background) involved with Taiwan, Beijing, November 2002; a senior scholar of Taiwan Studies, Beijing, November 2002; three senior scholars of International Relations, Beijing, November 2002; and a senior scholar of International Relations, Shanghai, November 2002.
At present on its national agenda, Beijing links “national unification” and “national advancement” with “economic development.” In the report of the 16th Party Congress, China says it hopes to quadruple national income by 2020, creating a well-off society. That is to say, in the next 15 years, China will focus on the central task of economic construction. China would like to put national unification aside, devoting its energies instead to economic development first and foremost, while hoping that the Taiwan issue will not interrupt this process. Therefore, China hopes that Taiwan will not be provocative (i.e., no statements or policies of Taiwan’s independence); both sides should promote common cross-strait economic development and prosperity.

For example, although the Chinese public frequently criticized the Chinese government over the Taiwan issue and for having a “weak” foreign policy, Beijing was unwilling to be too tough in these areas because it had strong concerns about China’s stability and development. China recognizes that the stability of Sino-U.S. relations is essential to its economic development and political stability. As a result, China has adopted a cooperative attitude toward the United States on major international issues, including the Taiwan Strait issue.

China has three sources of self-confidence concerning the Taiwan issue. First, China has experienced more than 20 years of rapid economic growth. Beijing believes that time is on its side because China’s national strength, along with

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36. Author interviews with two senior persons involved with Taiwan, Beijing, November 2002; two senior scholars of International Relations, Shanghai, November 2002; and a senior scholar of Taiwan Studies, Nanjing, March 2003.
37. Author interviews with a senior scholar of American Studies, Beijing, November 2002; and a senior person involved with Taiwan, November 2002.
its influence in the international community, is growing stronger, while Taiwan’s maneuvering space is shrinking.\footnote{Author interviews with a senior scholar of International Relations, Beijing, November 2002; and a senior person involved with Taiwan, Beijing, March 2003.}

Second, since mid-2002, the relationship between China and the United States has improved significantly. Washington has changed its relatively hostile policy toward Beijing, adopting a more moderate and cooperative policy. In particular, after Chen Shui-bian’s expression of the “one-country-on-each-side theory” in August 2002, the United States referred to the 1972 Shanghai Communiqué to express its stance, which was in favor of the Chinese position. The Communiqué states that “the United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China.”\footnote{Kan, “China/Taiwan,” p. 28.}

In addition, in April 2001, President George W. Bush had pledged to use “whatever it took to help Taiwan defend herself.”\footnote{Ibid., p. 65.} By contrast, at the October 2002 summit between Bush and Jiang Zemin and at the June 2003 summit between Bush and Hu Jintao, the U.S. president promised Chinese leaders that the United States would not support Taiwan independence.

The above statements gave China a sense of relief regarding the role of the United States in cross-strait relations. In addition, after China made some symbolic concessions to Taiwan, including the new definition of “one China” and the prerequisites of bilateral negotiation on the “three direct links,” the United States exerted certain pressures on Taiwan to accept China’s above offers. The Chinese leadership began to feel that its Taiwan policy was growing more effective than previously.\footnote{Author interviews with a senior scholar of International Relations, Beijing, November 2002; and a senior person involved with Taiwan, Beijing, March 2003.}

Finally, after Chen Shui-bian assumed office, Beijing was full of suspicion of the DPP’s China policy, which supports Taiwan independence. Beijing speculated that, once in power, the DPP might declare Taiwan independent. However, after two and a half years, Beijing realized that Chen’s policy was constrained by Taiwan’s public opinion and political structure, which did not support declaring independence. Thus, Beijing believes that the worst period of cross-strait relations (when “one-country-on-each-side theory” was issued in August 2002) is already past, and that nothing worse will occur thereafter.\footnote{Author’s conference notes on two senior scholars of Taiwan Studies, Xiamen, November 8, 2002. Author interviews with a senior scholar of International Relations, Beijing, November 2002; two senior scholars of Taiwan Studies, Shanghai, November 2002; a senior person involved with Taiwan, Shanghai, November 2002; two senior scholars of International Relations, Shanghai, November 2002; and a senior person involved with Taiwan, Beijing, March 2003.}
Nevertheless, China has been less confident recently because Taiwan’s constitutional reforms through referendum might result in de jure independence. In particular, Beijing was shocked that Taiwan’s KMT changed its mind within a couple of days in November 2003 to support legislation for the referendum law. As a result, in an effort to thwart movement toward de jure Taiwan independence, China’s National People’s Congress on March 14, 2005, passed the so-called Anti-Secession Law (ASL), which stated that China might use non-peaceful means against Taiwan.

China Pays Attention to Taiwan’s Public Opinion

Gradually, China has realized the significance of public opinion for Taiwan’s China policy. From Taiwan’s 1996 and 2000 presidential elections, Beijing learned a serious lesson: that Chinese coercive policies are counterproductive in Taiwan. In addition, Beijing is aware that public opinion in Taiwan acts as the most effective restraint on Chen Shui-bian’s policy of Taiwan independence.45

China’s recent policies were clearly focused on “placing hope on the Taiwanese people.” For instance, China removed political prerequisites on the “three direct links” negotiations in August 2000 and made unilateral concessions to Taiwan on the chartered flights to help Taiwan businesspeople return home for the Lunar New Year holiday in January-February 2003. China agreed that Taiwan’s flights could unilaterally operate between Taiwan and Shanghai, without the participation of China’s flights. In these issues, Beijing obviously made concessions to Taipei, and this goodwill was aimed at the Taiwanese business community.46

However, although China aggressively seeks to garner Taiwanese popular support for unification, it lacks clear methods for accomplishing this and there is much frustration in Beijing.47 There are limitations on China’s “placing hope in the Taiwanese people.” For example, a majority of Taiwanese explicitly support Taiwan’s joining the WHO, while the Chinese government relentlessly opposes Taiwan’s participation, even as an observer. Therefore, the one-China

45. Author interviews with three senior persons involved with Taiwan, Beijing, November 2002; a senior scholar of Taiwan Studies, Beijing, November 2002; a senior scholar of Taiwan Studies, Shanghai, November 2002; a senior person involved with Taiwan, Nanjing, February 2003; two senior scholars of International Relations, Beijing, March 2003; and two senior scholars of Taiwan Studies, Beijing, March 2003.

46. Author’s conference notes on a senior scholar of Taiwan Studies, Nanjing, February 28, 2003. Author’s interviews with a senior person involved with Taiwan, March 2003; a senior scholar of Taiwan Studies, Shanghai, March 2003; two senior scholars of Taiwan Studies, Beijing, March 2003; and a senior scholar of International Relations, Beijing, March 2003.

47. Author interviews with three senior persons involved with Taiwan, Beijing, November 2002; a senior scholar of Taiwan Studies, Beijing, November 2002; a senior scholar of Taiwan Studies, Shanghai, November 2002.
principle, as defined by Beijing itself, greatly supersedes the principle of “placing hope in the Taiwanese people.”

China’s Thoughts on Promoting the “Three Direct Links”

Chinese scholars and officials in the Taiwan affairs system predominantly believe that Taiwan needs the “three direct links” more than China does. They think Taiwan would benefit more from the links, whereas China’s need for them is not urgent. In addition, Beijing believes that Chen Shui-bian’s advocacy for the links was only pre-election posturing, and he does not really want them enacted. As a result, the thinking is, the “three direct links” will not succeed in the short run.

Because Taiwan needs the “three direct links” more, and the probability of success in the short term is not significant, why has China been actively promoting the idea? Why did China adopt a more flexible approach to rescind the one-China principle as the prerequisite for negotiation of the “three direct links,” and define cross-strait air and sea links as “cross-strait routes”?

In general, there are four reasons why China actively promotes the “three direct links.” First, Chinese leaders hope for a great historical achievement—instituting the links, a proposal that has been put forward since 1979—in order to help consolidate their status within the Party. Second, China believes that the “three direct links” are favorable steps toward both unification and prevention of Taiwan’s continuing to move toward independence. Beijing expects that closer economic exchanges will create more favorable public opinion toward unification in Taiwan because both sides have common economic interests.

Third, the “three direct links” would help China solve its present economic predicament and continue its economic development. In the 1990s, notwithstanding its outstanding economic growth rates, China’s internal economic, social, and political problems continued to be severe, including an ailing

48. Author’s conference notes on a person involved with Taiwan, Shanghai, October 9, 2002. Author interviews with a senior person involved with Taiwan, November 2002; and two senior scholars of Taiwan Studies, Beijing, November 2002.
49. Author interviews with two senior persons involved with Taiwan, Beijing, November 2002; a senior scholar of Taiwan Studies, Beijing, November 2002; two scholars of Taiwan Studies, Shanghai, November 2002; a senior person involved with Taiwan, Beijing, March 2003; and a scholar of Taiwan Studies, Shanghai, March 2003.
50. Author’s conference notes on a person involved with Taiwan, Shanghai, October 9, 2002; and author interview with a senior scholar of Taiwan Studies, Shanghai, November 2002.
51. Author interview with a senior scholar of Taiwan Studies, Shanghai, November 2002.
52. Author interviews with a scholar of International Relations, Beijing, July 2001; a senior economist at Xiamen University, July 2002; a senior scholar of Taiwan Studies, Beijing, July 2002; and several senior scholars of Taiwan Studies, Beijing, July 2002.
financial system, a poorly performing state-owned economy, stagnating agricultural and rural development, increasing income and regional inequality, and serious political corruption.

After joining the WTO at the end of 2001, China has faced even more thorny economic problems. The only way for China to solve or control internal problems is to keep the economy effectively growing at a minimum 7%–8% annually to provide sufficient employment opportunities. In 2003, when the economic growth rate was 9.1%, the net total of urban jobs increased by 8.59 million. In 2004, the Chinese government aimed at keeping the urban registered unemployment rate below 4.7% by creating nine million net additional urban jobs. That is, the government had to maintain at least a 9% economic growth rate in 2004.

For instance, during internal meetings in Beijing in 2002, Zhu Rongji did not mention any policy achievements, emphasizing that China still had enormous problems to be solved. He had a clear picture of China’s overall situation, which led him to be less optimistic than previously. At a press conference in March, Zhu stated that if the Chinese government had not adopted a proactive fiscal policy and prudent monetary policy between 1998 and 2002, “China’s economy would probably have collapsed.”

Fourth, Beijing maintains that the “three direct links” can promote the stability and development of cross-strait relations and thus allow China to concentrate on its economic development. In July 2002, explaining cross-strait relations to a visiting delegation of the Mountain Alliance, a political group from Taiwan, Qian Qichen pointed out that there were still many difficulties in front of China; he cited peace and stability as the most important matters.

To sum up, in the perception of Chinese leaders, promoting the “three direct links” brings little risk, has a high probability of success, is an easy-to-accomplish policy achievement on the Taiwan issue, and thus elevates their status within the Party. They argue that the “three direct links” will be helpful in facilitating

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55. Author interview with a senior scholar of Taiwan Studies, Beijing, July 2002.

unification and preventing Taiwan independence and will also be helpful to economic development. As a result, Chinese leaders will continue to place the priority of their Taiwan policy on promoting the “three direct links.”

**China Actively Utilizes the United States to Suppress Taiwan**

In recent years, China often propagandized the goodwill of its Taiwan policy to the United States in an effort to gain U.S. support for China’s position toward Taiwan; Beijing also urged the United States to exert pressure on Taiwan to make policy concessions to China. For example, in January 2001, before George W. Bush took up the post of U.S. president, Qian Qichen, in an interview with the *Washington Post*, explained China’s new definition of the one-China principle. Beijing hoped to express its goodwill to the Bush administration in order to prevent Washington from selling advanced weapons to Taipei.59 In September, Qian Qichen stated again that, so long as Taiwan accepted “one China,” China was willing to wait patiently for unification, i.e., denying the “third if” in China’s White Paper on Taiwan of February 2000. Beijing’s purpose lay in striving to gain U.S. support, because Washington had argued that the “third if” would change the cross-strait balance.

On the eve of Bush’s visit to China in February 2002, Beijing again adumbrated its goodwill toward Taipei, expressing willingness to expand contacts with DPP members. China hoped that this policy would persuade the United States to urge Taiwan to accept the one-China principle, or at least reduce U.S. support to Taiwan. Just before Jiang Zemin’s visit to the U.S. in October, Qian defined cross-strait air and sea links as cross-strait routes. This definition became a powerful propaganda tool vis-à-vis the United States, which exerted enormous pressure on Taiwan to negotiate with China on cross-strait links because China had lifted its political objection in the negotiation.60

Appealing to peace and stability, Beijing also urged Washington to pressure Taiwan to return to the one-China principle—in the name of preventing an outburst of cross-strait conflict. For instance, when condemning Taipei’s “two-state theory”61 and “one-country-on-each-side theory,” Beijing constantly emphasized


61. On July 9, 1999, President Lee Teng-hui stated in an interview with Deutsche Welle that the relationship between the PRC on the Mainland and the ROC on Taiwan is a “state-to-state or at least a special state-to-state relationship.” *Zongtong Jieshou Deguo zhi Sheng Zhongfang* [President Lee was interviewed by Deutsche Welle], Presidential Office of the Republic of China, July 9, 1999.
that Taiwan’s policy would “jeopardize the peace and stability of the Asian-Pacific area.” Therefore, China asked the United States to play a constructive role in ensuring peace and stability in the Taiwan Strait, i.e., constraining the activities of Taiwan independence and pressuring Taiwan to return to the one-China principle.62

In December 2002, Yang Jiechi, Chinese ambassador to the United States, said in a speech in New York that Taiwan was intentionally provocative and stirred up trouble, thereby destabilizing the Taiwan Strait and the Pacific region. He said that all countries (including China) loving peace and stability should contain Taiwan’s provocative behavior.63

Moreover, China sought to use the United States as a lever to compel Taiwan to accept cross-strait unification. For example, when visiting the United States at the end of October 2002, Jiang Zemin advocated that peaceful unification would be in the interest of the Asia-Pacific and world peace, would facilitate the stabilization of Sino-U.S. relations, and would effectively protect U.S. interests in Taiwan.64

Therefore, to a certain extent, Beijing hopes to win the support of the United States through revising its Taiwan policy and thus pressure Taiwan to make some positive responses to China’s expressions of “goodwill.” At the same time, by appealing to the common interests of the international community, China is urging the United States to restrain Taiwan from moving toward independence and to support cross-strait peaceful unification.

Assessment and Prospect of China’s Taiwan Policy

The third generation of Chinese leaders placed economic development at the center of China’s Taiwan policy, hoping to focus their energy on solving internal problems. They were extremely concerned that the Taiwan issue would delay or disrupt the process of Chinese economic development. At the same time, they considered “utilizing the U.S. to suppress Taiwan” and “appealing to the Taiwanese people” as two basic pillars of their Taiwan policy. This policy approach can be abbreviated as “one center, two basic pillars.”


Regarding “utilizing the U.S. to suppress Taiwan,” the third generation was concerned that the Taiwan issue would become the main contradiction between China and the United States. They realized that the stability of the Sino-U.S. relationship was crucial to Chinese economic development and external stability. In addition, adopting a cooperative attitude and flexible Taiwan policy and advocating the common interest of maintaining the status quo and peaceful unification, the third generation urged the United States to pressure Taiwan to cooperate with China and prevent moves toward independence.

With respect to “appealing to the Taiwanese people,” the third generation of Chinese leaders understood that resolving the Taiwan issue (i.e., achieving unification and preventing Taiwan independence) would be determined by Taiwanese public opinion, and therefore paid it greater attention than before. However, the one-China principle, defined by Beijing, stands well above the principle of “placing hope on the Taiwanese people.”

Based on the approach of “one center, two basic pillars,” China responded with moderation to Lee Teng-hui’s “two-state theory” issued in mid-1999, in an attempt to stabilize cross-strait relations and thus maintain concentration on addressing internal problems. When Chen Shui-bian’s “one-country-on-each-side theory” was issued in August 2002, China’s reaction was very low-key, because military intimidation would have been harmful to Sino-U.S. relations and the feelings of the Taiwanese people, and even more detrimental to China’s economic development. This demonstrated that the third generation insisted on the priority of modernization over the suppression of Taiwan independence activities.

The “one center, two basic pillars” judgment can also explain why the third generation of Chinese leaders made a series of policy adjustments or concessions to Taiwan after Chen Shui-bian assumed office. During 2000–03, China’s adjustments included the redefinition of “one China” and restating the conditions for negotiation over the “three direct links.” The third generation of Chinese leaders consistently made adjustments in an effort to win the support of the United States and the Taiwanese people, and thus pressure the Taiwanese government to accept the one-China principle and implement the “three direct links.”

Though more confident in dealing with the Taiwan issue, the third generation also felt powerless on one particular issue: public opinion in Taiwan. They realized that public opinion was the fundamental means to restrain Chen Shui-bian’s Taiwan independence policy, but did not know how to effectively influence public opinion in Beijing’s favor in democratic Taiwan. More worrisome for Chinese leaders is that Taiwan’s constitutional reforms through referendum in the next three years might result in de jure independence.

Therefore, China’s tough policy of military intimidation, passage of the ASL, and insistence that the Chen administration must accept the framework of the “one-China principle” all came in response to the worst-case scenario. The strategy of the third generation’s Taiwan policy was very clear—“advocating
unification” was only a principle, but the most important thing was “preventing Taiwan independence.”

The third generation argued that as long as Taipei accepted the framework of the one-China principle, the “three can-discusses” were negotiable and would take into account the needs of the Taiwanese people. However, China has presented no concrete measures or plans to help realize the new definition of the one-China principle and, thus, the “three can-discusses.” China urgently wants Taiwan to accept the framework because it is worried that Taiwan might break the status quo. China wants to use this strategy to propagandize inside Taiwan and among the international community, pressuring the Taipei government to agree upon the one-China principle.

Because at present there is no mutual trust between the two sides across the Strait, and also because of the wide disparity of their policy positions, Taiwan and China have very little political common ground in the short term. The situation of cross-strait confrontation will, therefore, continue in the short term: two opposite forces—Taiwan independence (via plebiscite or constitutional reforms) and China’s military deterrence against such a move or plebiscite—will sustain the tensions and deadlock of cross-strait relations.

Nevertheless, the probability of either a Chinese use of force to coercively unify Taiwan or Taiwan’s unilateral declaration of independence is minimal, for the following three reasons. First, China needs to develop its economy. Second, the United States constrains and balances both sides across the Taiwan Strait. Third, the mainstream of Taiwan’s public opinion falls in the middle—to maintain the status quo.

Furthermore, it is highly possible that cross-strait relations could sustain peace and stability but will be deadlocked over the next couple of years, for the following three reasons. First, China’s national strategic goals (priority on economic development and preserving a stable international environment) are very clear. Second, the United States and China have already reached a mutual understanding on major strategic issues (including anti-terrorism, international cooperation, the Taiwan issue, and America’s status in East Asia). Third, Taiwan has been close to the limit of its unilateral definition of cross-strait relations and the expansion of its international space. The dynamic balance among Taiwan, China, and the United States, both internally and externally, has reached a new equilibrium. Finally, chartered flight issues and the “three direct links” will become the focus of cross-strait interaction in the short and medium term and, possibly, become the catalyst and mechanism to improve cross-strait relations in the long term.

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65. Author interview with a senior scholar of International Relations, Beijing, November 2002.
66. Author interview with two senior scholars of International Relations, Beijing, November 2002.