



Hu Jintao's "New Thinking" on Cross-Strait Relations

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Abstract

This article delineates some aspects of the PRC's recent perceptual policy shifts in dealing with Taiwan and Cross-Strait relations from the perspective of China's overall foreign policy orientation under Hu Jintao's leadership.

Since 2002, when Chinese leader Hu Jintao assumed office, Beijing's perceptions of the Taiwan issue and Cross-Strait relations as well as its approaches toward those issues have experienced noticeable changes compared to Jian Zemin's era. Those changes coupled with the adjustment of U.S. policy toward Taiwan and the dynamic evolution of the political ecology on the island have contributed to relative stability in Cross-Strait relations.

From Beijing's perspective, the Cross-Strait situation probably is the best since Chen Shui-bian came to power in 2000. Although political relations are still at an impasse, economic and other functional exchanges between the two sides of the Taiwan Straits continue to expand rapidly, irrespective of Chen Shui-bian's repeated efforts to brake the spreading "mainland fever." Consequently, the web of economic interdependence between the mainland and Taiwan has been thickening. Largely as a function of the preferential economic policy initiated by Beijing, the Taiwan public's hostility toward the mainland has been visibly reduced. The coordinated effort with the United States has been successful in containing Chen Shui-bian's proindependence impetuosity.

Suffering domestically from seemingly endless scandals, Chen Shui-bian has become politically handicapped and is no longer in a strong position to push his more aggressive agenda in Cross-Strait relations. Beijing continues to gain ground diplomatically and has managed to shrink Taiwan's "international space." Beijing is now more confident than ever that it has assumed the initiative in guiding Cross-Strait relations and that time is on the mainland's side.

From "the Issue" to "an Issue"

For a long time the Taiwan issue has been the most agonizing and painful challenge in Beijing's external relations. In Beijing's cognition, the Taiwan issue tended to be separated from China's overall foreign policy. It was categorically defined as an "internal issue," and Beijing often refused to recognize the possible impact of its Taiwan policy on its diplomatic posture and image in the world. In its dealings with the United States and other major powers, Taiwan appeared to be the only big issue that China really cared about. In their meetings and talks with foreign dignitaries, Chinese leaders iterated their "principled" positions on Taiwan over and over again to the point of saturation.

In recent years, however, there have been some signs that the Chinese leadership and

elite have begun to look at the Taiwan issue from China's overall matrix of foreign policy interests instead of treating Taiwan as an isolated issue of its own. This shift has a lot to do with the advent of the theory of China's peaceful rise. For the purpose of heading off the prevalent Western perception of the "China threat," the Chinese elite, represented by Hu Jintao's confidant Zhen Bijian, has articulated the theory of China's peaceful rise. It is based on the argument that in order to realize its aspiration to become a world power, China will take a pathway very different from that followed by the traditional major powers, which resorted to aggression and expansion by using military force to achieve their ascendancies. But this theory, understandably, has been met with much skepticism and suspicion. Among other things, in challenging China's peaceful intentions, Western media and analysts often cite Beijing's unwillingness to give up the use of military force against Taiwan. After initially brushing aside such comments, Beijing soon realized that to make its theory of peaceful rise more credible, it had to deal with the inner contradiction between its purported peaceful rise and its insistence on the use of force to resolve the Taiwan issue.

Since last year, Chinese leaders and elites have begun to view the Taiwan issue from the overall framework of China's peaceful rise. Some analysts point out that as important as the Taiwan issue is, it is only one issue, not the only issue, in China's core national interest. China should not be blinded or haunted by the Taiwan issue, which can only be resolved during China's overall process of peaceful rise. Although Beijing is still not ready to give up the possible use of military force to deter the proindependence separatist forces in Taiwan, it now highlights a peaceful solution to the issue and has elevated it to the level of China's peaceful rise.

In his formal response to former Deputy Secretary of State Robert Zoellick's "stakeholder"

speech in September 2005, Zheng Bijian argued that a permanent improvement in U.S.–China relations requires a fundamental understanding of the Communist party of China and its basic direction for the twenty-first century. He characterized China's domestic and foreign policy objectives as three kinds of peace: international peace, internal harmony, and reconciliation with Taiwan.¹ For the first time, reconciliation across the Taiwan Straits became an integral part of China's peaceful rise.

In April 2006 Chinese President Hu Jintao more explicitly applied the concept of "peaceful development" to Cross-Strait relations. During his second meeting with former KMT Chairman Lien Chan, he suggested that "peace and development should be the main theme of Cross-Strait relations, and the common goals of the people both in the mainland and Taiwan."² Following his speech, a signed article in *The People's Daily* further advocated that "the theme of peaceful development should be firmly complied with in handling Cross-Strait relations."³ This theme of "peace and development" extends the theory of the "peaceful rise" from foreign policy to Cross-Strait relations and provides the fundamental rationale for all of Beijing's preferential policies toward Taiwan.

Putting the Taiwan issue into the overall framework of Chinese foreign policy indicates that Beijing increasingly perceives this issue from the international perspective. The emphasis on peace and development in Cross-Strait relations, although aimed at appealing to the Taiwanese people, also shows that Beijing has become more mindful of the repercussions that a nonpeaceful solution could have for the region and the world. By doing so, Beijing hopes to reconcile its often more belligerent Taiwan policy with its overall more peaceful approach to the international arena.

To some extent a more balanced approach to the Taiwan issue is also reflected in China's

diplomacy toward the United States. In the past the Chinese always reminded the Americans that the Taiwan issue is the “most critical and sensitive issue” in Sino–American relations; now it seems that Beijing can talk about the Taiwan issue in a more relaxed and calm way with the Americans. Of course that does not mean that China reduced the importance of the Taiwan issue in the relationship. Beijing still warns Washington about Taiwan independence whenever opportunities arise. But Beijing seems to be less paranoid about this issue and is more willing to discuss with Washington other important international issues independent from the Taiwan issue. For example, Beijing accepted the American position that the Taiwan issue would not be discussed in the U.S.–China senior (“strategic” in the Chinese term) dialogue.

The connection between the Taiwan issue and China’s foreign policy can also be perceived from the change in its handling of the Taiwan issue in its relations with other countries. In the past Beijing vehemently opposed the “internationalization” of the Taiwan issue, regarding it as a pure internal issue that is off limits from any foreign inference. Now China is engaged in its own brand of “internationalization.” Beyond routinely demanding that they reiterate their “one-China policies,” Chinese diplomats often discuss the Taiwan issue and the Taiwan policy voluntarily with other countries. For example, when China made major policy shifts regarding Taiwan such as the passage of the Antisecession Law or when Taiwan’s Chen Shui-bian uttered some “provocative” remarks, Beijing was more willing than it had been in the past to brief foreign governments about its positions through diplomatic channels. In his recent visit to Brazil, Chinese leader Wu Bangguo used an unusually large part of his speech to discuss China’s policy toward Taiwan in detail and stressed that China has taken measures to move Cross-Strait relations toward peace and stability.⁴

From “Changing the Status Quo” to “Maintaining the Status Quo”

One key argument in the theory of China’s “peaceful rise” is that it has no intention of changing the status quo of the international system. This, of course, does not necessarily apply to the Taiwan Straits. One can argue that for a long time the objective of China’s Taiwan policy has been to change the status quo and to fulfill the national aspiration of unification. U.S. Secretary of State Condoleezza Rice once used this argument to conclude that China is not a status quo power and therefore is a strategic competitor of the United States.⁵ Indeed, ever since the 1980s, Chinese leaders have taken the mainland’s reunification with Taiwan as one of the major tasks facing the Chinese government. For a while maintaining the status quo in the Taiwan Straits was perceived as equivalent to perpetuating the split of the motherland and therefore unacceptable, for it was not in China’s fundamental national interest. During Jiang Zemin’s era, some Chinese officials and the elite began to lose patience with the political impasse between the two sides. Jiang himself was eager to leave some tangible legacy on unification before he stepped down. The Taiwan policy community in Beijing began to talk about setting up a timetable for unification. Official Chinese documents and remarks emphasized that unification cannot be indefinitely postponed. As late as 2004, perceiving Chen Shui-bian’s timetable for constitutional reform as advocating Taiwan independence, the Chinese leadership was still contemplating a timetable to settle the Taiwan issue within the first 20 years of the twenty-first century—the so-called period of strategic opportunities.⁶

But starting with CPPCC Chairman Jiaqing Lin's Chinese New Year speech on January 28, 2005,⁷ Beijing began to state that it perceives the solution of the Taiwan issue in a more phased and sophisticated fashion. The Taiwan issue is now conceptually divided into two mutually related but distinct dimensions—opposing independence and promoting unification. Although China's long-term goal remains the eventual unification of the mainland and Taiwan, the immediate priority of Beijing's Taiwan policy is the former, namely, thwarting any attempt by Chen and others to pursue Taiwan independence.⁸ Moreover, what Beijing is concerned more about is not the *de facto* independence of Taiwan but rather "*de jure*" independence. This change of priority was described as a "strategic adjustment," which was based on Beijing's more realistic understanding of the public mood in Taiwan. Numerous surveys show that mainstream public opinion in Taiwan favors the maintenance of the status quo across the Taiwan Straits. Although the Taiwanese people do not want to see a radical movement toward *de jure* independence out of fear of triggering a war with the mainland, they certainly do not have a strong appetite for unification. Beijing has also realized that the formula of "one country, two systems" does not have much attraction to the people in Taiwan. They evidently do not want to become another Hong Kong or Macau. In the meantime any prospect of unification looks dim under the DPP government when Chen Shui-bian does not even want to recognize the existence of the "1992 consensus." Instead Chen is perceived as having a hidden agenda of pushing for *de jure* independence, and therefore Beijing's energy needs to be concentrated on stopping him from moving in that direction. The Antiseccession Law passed by the National People's Congress in March 2005 was designed for precisely that purpose. The change of the initial title of the law from "Unification" to "Antiseccession" further highlights Beijing's policy priority toward Taiwan at the current stage.

More important, such a shift of policy priority enables Beijing to claim itself as a status quo power even in the Taiwan Straits, at least in the short term. Although the status quo could be interpreted in different ways by Beijing and Washington, the acceptance of the status quo per se immediately brought the two closer. China and the United States found a more clear-cut common interest on the Taiwan issue, which has served as the foundation for policy coordination between Beijing and Washington to rein in the perceived attempt on the part of Chen Shui-bian to "change the status quo." In the past Beijing often accused Washington of seeking to perpetuate the status quo of "neither independence nor unification" across the strait. Now it seems that Beijing could to some extent also accept this status quo, for it is much better than the alternative: *de jure* independence. To justify this change of perception, Chinese leaders have tried to redefine the concept of "status quo." Hu Jintao defined the status quo across the Taiwan Straits as "both mainland and Taiwan belong to one China."⁹ Based on this definition, any attempt or action by Chen Shui-bian to deny that linkage and to weaken Taiwan's tie with the mainland such as the abolishment of the Unification Council could be interpreted as changing the status quo.

By putting the eventual unification with Taiwan on the back burner, Beijing can focus on its immediate policy objective—curbing any move of Chen Shui-bian's toward *de jure* independence and reneging on his "four no's and one without" promise. In doing so, Beijing has also made some tactical adjustments. The first adjustment can be called "preemption." As many analysts pointed out, Beijing's Taiwan policy used to be reactive rather than proactive. Chen Shui-bian kept pushing the envelope by taking incremental baby steps toward independence while Beijing was busy responding to Chen's every move. The Chinese leadership under Hu was determined to change that situation and to take back the initiative from Taiwan

in Cross-Strait relations. One way to do it is to preempt Chen's proindependence maneuvers. Before Chen's inauguration speech on May 20, 2004, Beijing issued a strong statement on May 17 to set the tone for Cross-Strait relations. Before Chen had a chance to implement the timetable of constitutional reform, China passed the Antiseccession Law in March 2005 to prevent Chen from taking more radical steps toward independence. Once Beijing laid down what it considered to be the benchmark or redline for Taiwan, it became more relaxed and flexible in dealing with Chen and did not feel compelled to react to everything he said or did. One approach Beijing has followed recently encapsulates the principle that the mainland should not allow Chen to play around with it. Accordingly, Beijing will react to Chen's provocation according to its own schedule and need.

This approach was clearly reflected in Beijing's handling of the recent political turmoil in Taiwan. Beijing anticipated that Chen Shui-bian and his cohort might try to provoke the mainland during the current political crisis to create an external enemy so that he could distance himself from troubles of his own making. Therefore it was reported that Beijing set up a "Three No's" policy to deal with that kind of situation: "Do not dance at Chen's rhythm; do not be used by Chen, and do not force him to the corner." No matter how much Chen tries to provoke the mainland, as long as his words and deeds do not touch on the principle of one China and Taiwan independence, China should remain restrained and avoid overreactions.¹⁰ Beijing kept a very low profile during the Chen scandals and declined to make any comments whenever possible. But when Chen stepped on the redline by talking about the possibility of changing the name and territorial definition in the constitution, which he had promised that he would not touch, Beijing could no longer remain silent. The TAO spokesman took his gloves off to send Chen a strong message that Beijing will never tolerate any move to seek

Taiwan's *de jure* independence and "anyone who attempts to make Taiwan secede from China by any means is playing with fire and doomed to a disgraceful defeat."¹¹ As much as Beijing wanted to stay out of the political frays in Taiwan, it could not afford to be indifferent to political developments on the island. When the news came that the underground radio stations in southern Taiwan called for the use of death squads to assassinate the pan-blue leader, KMT Chairman Ma Ying-jeou, Beijing took it seriously. A China scholar made it clear that if that happened, it could trigger large-scale bloodshed in Taiwan and that could be considered "the major incidents entailing Taiwan's secession from China" as defined by the Antiseccession Law. The law would be automatically invoked.¹²

Another change in Beijing's approach toward containing the proindependence force in Taiwan is to rely more on enlisting America's help to check Chen. Experience suggested to Beijing that exerting direct pressure on Taiwan might not produce the result it desired. Many people in Taiwan still remember the stern face of Chinese Premier Zhu Rongji on the eve of Taiwan's presidential election in 2000. He urged the Taiwan people not to elect Chen Shui-bian in order to avoid serious consequences. Such crude pressure often proved to be counterproductive and even backfired. Without the approval of the United States, Chen Shui-bian often ignored Beijing's messages. Consequently, beginning in 2003, Beijing visibly increased its consultations with Washington on the Taiwan issue and often pushed Washington to the forefront of attempts to curb Chen's cravings for independence. Beijing has increasingly realized that although the United States might not want to see China's eventual unification with Taiwan, it shares a parallel strategic interest with Beijing in opposing Taiwan independence and in maintaining the status quo in the Taiwan Straits. Beijing tried hard to convince President Bush that Chen Shui-bian was a trouble maker and

that it was Taipei not Beijing that intended to change the status quo. Chen's erratic personality apparently helped Beijing to make its case. This approach seems to be working. Whenever he tried to stir the water in the Taiwan Straits for domestic political purposes, Chen Shui-bian had to retreat from his original position under American rather than Chinese pressure. Chen's announcement in early 2006 that the National Unification Council and the National Unification Guidelines would be abolished raised both Beijing's and Washington's eyebrows. As a result of Washington's intervention, Chen backed off to some extent and agreed to use the word *cease* instead of *abolish*. Seeing that Washington could get the job done on its behalf, Beijing exercised restraint in its reaction.

Sometimes Beijing could not stop worrying that Washington could be easily manipulated and fooled by Chen who is very good at saying what Washington wants to hear while doing what he wants to do. Therefore the Chinese have to continue to urge the Bush administration to be more alert about Chen's moves. When Chen's political trouble began to unfold in June, he reassured visiting AIT Chairman Raymond Burghardt that he would stick with the "Four No's" and that Washington had nothing to worry about. The State Department seemed to be pleased with his reiteration and began to call him "president" again. But Beijing suspected from the very beginning of Chen's political trouble that the embattled president might take inflammatory measures on Cross-Strait relations to change the subject and end his slide toward political demise. When Chen started to talk about constitutional reform again, Beijing immediately dispatched Chen Yunlin, the minister of the Taiwan Affairs Office, to Washington to remind the Americans of the seriousness of Chen's remarks. Once again Washington spoke, and Chen apparently got the message and stopped talking about the sensitive issues in the proposed constitutional reform. It seems as if a pattern of policy coordination has emerged in Sino-American relations,

which has served to preempt Chen's impulse toward independence.

From "Military Intimidation" to "Economic Seduction"

Although Beijing continues to use military and legal deterrence to prevent Taiwan from moving farther down the road to *de jure* independence, it began to rely much more on economic and other functional benefits to win the hearts and minds of the Taiwan people and to strengthen economic ties between the two sides to keep Taiwan from slipping away. This is probably a more effective way to alleviate the independence tendency in Taiwan and to realize unification in the future. Again, this shift of policy focus could be related to the theory of China's peaceful rise.

One argument associated with this theory is that China could use the resources made available by the process of globalization to achieve modernization without the necessity of using force to secure world markets, capital, and resources. By the same logic Chinese leaders might also conclude that globalization and its consequent economic interdependence could also help to reduce Taiwan's centrifugal tendency and increase its centripetal movement toward the mainland, shaping a kind of *de facto* unification with the mainland without the firing of a single shot.

Playing the economic card in Cross-Strait relations, of course, is not new. Ever since the opening of Cross-Strait relations in the late 1980s, Beijing has sought to use preferential trade and other economic ties to lure the Taiwanese to the mainland. But during Li Tung-hui's last year and particularly after Chen Shui-bian was elected president, some in policy and academic circles began to wonder about the effectiveness of the trade card and were

disturbed by the harsh fact that although Cross-Strait social and economic ties were getting closer, politically the two sides seemed to be drifting farther away. Doubt soon evaporated under Hu Jintao's new leadership. Consistent with his "people-centered" and "human-centered" philosophy, he insists that such a spirit should also be applied to Cross-Strait relations. He reiterated in his famous "four points" new policy toward Taiwan in March 2005 that Beijing will never change its policy of "placing hope in the Taiwan people."¹³ Although the policy of favorable economic and other functional policies toward Taiwan may not yield quick results, it certainly will bear fruit in the long run. After all, "Taiwan compatriots constitute a major strength in promoting the development of Cross-Straits relations and China's reunification and in checking the splitting activities of 'Taiwan independence.'"¹⁴

However, in practice, one cognitive obstacle long existing in the minds of Taiwan-related Chinese officials and elites is the dilemma posed by winning the hearts and minds of the Taiwanese people by being more generous and flexible in promoting Cross-Strait economic and trade ties and weakening and isolating the proindependence Chen government. Since Chen was elected president in 2000, Beijing has been agonizing about how to deal with him. Initially Beijing declined to take measures to ease Cross-Strait tension through the "three links" and other means because of fear that Chen's government would get credit for such a policy and in turn increase his and the DPP's political capital in the next election.

After Chen Shui-bian was reelected in 2004, very much to its dismay, Beijing faced a tough choice. If it continued to refuse to deal with Chen's government by stagnating Cross-Strait exchanges, Chen certainly could not get any credit from improving Cross-Strait relations. But Beijing could risk alienating the general public in Taiwan by being rigid and inflexible. Eventually Beijing seemed to find a middle-ground strategy to solve this dilemma. First, it

called for negotiations between authorized or commissioned nongovernment entities on both sides to achieve the Cross-Strait "three links." Thus it could avoid dealing with the Chen government directly without jeopardizing Cross-Strait exchanges. Second, the Hu leadership made the strategic decision to invite anti-independence opposition party leaders to visit the mainland. It offered them abundant socioeconomic goodies and sweeteners. These leaders in turn would put heat on the DPP government to implement concessions offered by the mainland. If the DPP government refused to do anything, it would look bad in the eyes of the Taiwan public because of its obstructionist attitude. If it agreed to do something such as approve the Chinese New Year charter flight in 2005, the credit would fall on opposition parties rather than Chen because they made the deal with Beijing. In any event, the strategy of economic inducement has been reaffirmed and further strengthened under the new Chinese leadership.

China's socioeconomic charm offensive kicked off more seriously when Taiwan opposition party leaders Lien Chan, James Soong, and Yok Mu-ming visited the mainland one after another in the spring and summer of 2005. Before and after their visits, Beijing unilaterally announced generous economic concessions to Taiwan, including sending two giant pandas to take up residency in Taiwan, expansion of the kinds of fruit that can be exported from the mainland from 12 to 18, exemption of tariffs on at least 10 species of Taiwan fruit, lifting a ban for mainland residents to travel to Taiwan, facilitating the entry and exit of Taiwanese to and from the mainland, reduction in the tuition of Taiwanese students studying on the mainland to the same level paid by their mainland counterparts, setting up scholarships for university students from Taiwan, and facilitating the employment of Taiwan students on the mainland.

The momentum of offering socioeconomic concessions to Taiwan showed no sign of slowing

down in 2006. In April 2006 at the Cross-Strait economic and trade forum cosponsored by CPC and KMT, Beijing announced another 15 preferential policies toward Taiwan, including no tariffs on 11 varieties of vegetables and no tariffs on 8 varieties of aquatic products from Taiwan. The mainland also agreed to recognize university diplomas issued in Taiwan, thus generating employment opportunities for Taiwan students. Taiwanese are also allowed to get licenses for medical practice on the mainland.

Then in October 2006 at the first Cross-Strait agricultural forum in Boao, Hainan, Beijing announced another package of 20 preferential policies aimed at boosting agricultural cooperation across the Taiwan Strait. Among other things, the policies encourage Taiwan-based agricultural organizations, enterprises, and farmers to set up agricultural development zones on the mainland. Taiwan farmers can establish private businesses in these development zones. The Chinese government will provide fiscal support to construct infrastructure in these zones. Local governments across the mainland are supposed to provide a fast and open transportation service for Taiwan agricultural products. The mainland authorities are also committed to punish piracy of the trademark rights pertaining to Taiwan agricultural products.

Since last year Beijing's economic offensives have displayed some new features. One is Beijing's persistent effort to woo Taiwan's farmers. A majority of its economic and trade incentives are targeted at Taiwan's fruits and vegetables, most of which come from the central and southern part of Taiwan. Beijing's generosity toward agricultural products is not only motivated by economic considerations. Taiwan's farmers are largely based in the island's central and southern region, which traditionally has been a stronghold of support for Chen Shui-bian and the independence leaning DPP. Farmers from those regions literally delivered the presidency again to Chen Shui-bian in 2004. Moreover, since Taiwan joined the WTO,

they have faced increasing competition from foreign agricultural products. The huge mainland market for fruits and vegetables is simply irresistible to Taiwan's farmers. Beijing's calculation appears to be that if the farmers in southern Taiwan get involved in the network that culminates in Cross-Strait economic interdependence and derive benefits from it, their political views, which often form a balance in Taiwan politics, may also change in favor of Beijing.

So far the mainland has granted market access to 22 categories of Taiwanese fruits. Fifteen of these have been granted zero tariffs. Beijing has also exempted 11 categories of vegetables from tariffs.¹⁵

Beijing has shown unusual efficiency and enthusiasm in helping Taiwan farmers. During Lien Chan's visit to China in October to attend the Cross-Strait agricultural forum, he told Chen Yunlin that farmers in Taiwan were worried about an overabundant harvest of bananas and hence a sluggish sale.¹⁶ After consultations, Beijing agreed to buy 2,000 tons of surplus bananas from Taiwan's farmers. The first shipment of 300 tons of bananas was sent to the mainland immediately. The price China offered was much higher than the guaranteed price offered by the DPP government.¹⁷ China took the same measures to help Taiwan farmers during the summer. The DPP government certainly understands the political implications of the mainland's actions. But it has to admit that these deals benefit Taiwan farmers and as such the DPP government finds them hard to reject.

Another characteristic of Beijing's approach toward socioeconomic exchanges across the strait is the effort to separate those exchanges from Taiwan's internal political development and from Chen's individual provocations. As mentioned earlier, China did its best to stay out of the political turmoil in Taiwan, learning a lesson from past mistakes. Chinese officials made it very clear that the anti-Chen movement was the internal affair of Taiwan; the mainland was not in a position to intervene

and had no interest in taking advantage of it. As one TAO official put it: "We hope the demands of the Taiwanese people can be peacefully met. We do not want to see conflict in Taiwan society. The Taiwanese people are our brothers and we hope all of them can work and live well."¹⁸ In their meetings with Taiwanese guests, various Chinese leaders pledged that Beijing's decision to promote Cross-Strait socioeconomic relations will not be affected by short-term political fluctuations or by some individual's obstruction and provocation. It will earnestly implement its solemn commitments to Taiwan compatriots no matter what the circumstance.¹⁹

A typical example in this regard is the agreement on Cross-Strait charter flights. In the midst of the political storm in Taiwan in June, China reached agreement with Taiwan to expand Cross-Strait charter air services. In addition to the Lunar New Year holiday charter flights previously approved, chartered passenger flights across the strait will also be operated during the Tomb Sweeping Festival, the Dragon Boat Festival, and the Midautumn Festival. The two sides also agreed to open chartered flights for emergency medical rescue, first aid for the handicapped, and chartered cargo flights for special needs. It was considered a landmark agreement that would lead to the restoration of regular direct flights between the two sides.²⁰ The agreement was soon put into practice. On July 20 the first direct cargo charter flight from Taiwan touched down in Shanghai, bringing 61 tons of chip equipment to a factory established by a Taiwan company. It was the first breakthrough since 1949. On September 24 the first emergency chartered flight between Shanghai and Taipei took off to send an 81-year-old Taiwan woman home after she suffered a stroke. During September–October, the first Midautumn Festival charter flights took off and turned out to be a success. Beijing was aware that such an agreement might help improve the DPP government's image, but its socioeconomic strategy

looks beyond Chen's government to create a broader impact on the Taiwan population and society.

Beijing's tireless economic offensive generated a lot of heat on the DPP government. Taipei initially insisted that Beijing deal with the DPP government; unless it did, no progress would be made in establishing the Cross-Strait "three links." But under tremendous pressures from the Taiwan business community and the general public, the DPP government eventually agreed to commission private groups to negotiate with their counterparts in the mainland on various issues such as charter flights and to relax some of the restrictions as well. Although President Chen wanted to put a brake on Taiwan's growing "mainland fever," he realized that he was fighting a losing battle. The issue of Cross-Strait socioeconomic exchanges even put Chen at odds with his premiers. Frank Hsieh had to resign because of his disagreement with Chen on Cross-Strait exchanges. Current Premier Su Tseng-chang is also pursuing a "revisionist" policy on this issue, endorsing "three small links," allowing Taiwan's semiconductor industry to invest in the mainland, and relaxing controls on visits to the mainland by middle and lower ranking civil servants and police.

Right now Beijing is pushing for the regularization of Cross-Strait charter flights and the opening of Taiwan to mainland tourists. On these issues, it seems, agreements between the two sides are just a matter of time. In 2006 while the Taiwanese were busy demonstrating and protesting against the Chen government, the Chinese were busy organizing all kinds of Cross-Strait trade and business events and luring thousands of Taiwan businessmen to participate. Cross-Strait exchanges in various areas were "unprecedentedly active" in the first half of 2006. A total of 2.1 million Taiwanese visited the mainland, increasing 3.98 percent, whereas 192,000 mainlanders visited Taiwan, increasing 17.38 percent. Both increases are the highest in history.²¹

Chinese leaders increasingly attach great importance to Cross-Strait socioeconomic exchanges. Chinese President Hu Jintao has pointed out that booming nongovernmental cooperation across the Straits over the last 20-plus years has resulted in a mutually complementary and beneficial structure. Under such circumstances, the interests of the people on both sides of the Taiwan Straits have been closely related. Facing the common challenge of economic globalization and regional economic integration, both sides need to deepen economic and trade cooperation. Such a mutually complementary and beneficial relationship is “the effective way for realizing peaceful development across the Straits.”²² Chinese Vice Premier Wu Yi has asserted that Cross-Strait economic and trade cooperation has served as an important tie to connect the feelings and sentiments of people on both sides and has become an important factor in maintaining Cross-Strait stability.²³ Beijing’s intention is very clear: Using an incremental approach to chip away at the obstacles to “three links” set up by Chen Shui-bian and his proindependence cohorts in the context of a larger objective of making economic interdependence and integration irreversible and thus minimizing the feasibility of political independence in the future.

Conclusion

China’s perception of Taiwan and its policy toward it is probably among the most “revisionist” of its policies under Hu Jintao’s new leadership. These changes have taken place under the rubric of Hu’s grand vision of a “peaceful rise” and a “harmonious society.” Beijing views the Taiwan issue and Cross-Strait relations as an integral part of China’s comprehensive “rise” in world affairs rather than as an isolated issue purely affecting national pride alone. It has endeavored to make the Taiwan issue an asset rather than a liability during China’s

emergence as a world power. The perceptual changes have led to more policy flexibility and by and large have contributed to relative stabilization in Cross-Strait relations.

Some continuity still persists in Beijing’s Taiwan policy, which sets limits to the scope and depth of Cross-Strait relations in current circumstances. Among other things, Beijing still refuses to deal directly with the DPP government under Chen Shui-bian. Although Beijing, for the first time, categorically expressed its willingness to talk to Chen in early 2005, the prerequisite for Chen to recognize the one-China principle made dialogue between the two sides infeasible. It is fair to say that Beijing has gone a long way toward reinterpreting and broadly defining the principle of “one China.” After Hu Jintao’s meetings with Taiwan’s opposition leaders in 2005, Beijing replaced the “one-China” principle with the vaguer “1992 consensus” as the political basis for official or semiofficial Cross-Strait dialogue. Although the essence of the “1992 consensus” is still “one China,” the term is subject to different interpretations. It seems that the “1992 consensus” is Beijing’s bottom line in dealing with Chen. As such China is unlikely to yield on this issue. Given current circumstances involving Chen’s political weakness stemming from his involvement in a quagmire of scandals and Beijing’s perception that it can count on the opposition parties to push for Cross-Strait exchanges, Beijing does not feel a burning urgency to talk to Chen.

Beijing continues to wage a relentless diplomatic “war” against Taiwan, chipping away at its “international space.” In this diplomatic war, Taiwan is losing ground. Whereas in the past, Taiwan had the advantage of using “dollar diplomacy” to woo poor third-world countries, China has caught up: Its economic clout is growing, and its foreign currency reserves are skyrocketing. The most recent setback is the central African country of Chad, which severed diplomatic relations with Taiwan and switched its recognition to Beijing. That reduced to 24

the number of countries that have diplomatic relations with Taiwan—the lowest number in recent years. Following Senegal, Liberia, Macedonia, the Commonwealth of Dominica, Vanuatu, and Grenada, Chad is the seventh country to switch diplomatic recognition to Beijing since Chen Shui-bian took office in 2000. Beijing does not show any sign of lessening its efforts to block Taiwan's involvement in international organization such as WHO. Beijing's position is that these issues can be discussed only after Taipei returns to the "1992 consensus." Many on the mainland perceive the favorable situation in the diplomatic tug of war with Taiwan as a function of China's overall "rise."

Finally, some Chinese leaders and elites still show contempt for Taiwan's leaders and its democracy and are not particularly sensitive to the feelings of the Taiwan people. For example, Chinese Foreign Minister Li Zhaoxin has often scoffed at President Chen in public. "Who is this guy?"; "I don't know this guy"; "I have no time to listen to his nonsense" are only some of his remarks. Chinese diplomat Sha Zhukang's insensitive remark during the SARS crisis in 2003, "Who cares for Taiwan?" hurt the hearts of many Taiwanese. It is laudable for Beijing to show its interest in providing benefits to Taiwanese compatriots in economic and material terms. But Beijing has to realize that the people in Taiwan are not just concerned with economic benefits from Cross-Strait relations. They also want to have more dignity and respect in their relations with the mainland and in the international community. Sometimes the goodwill won by economic concessions can be easily destroyed by insensitive remarks and a Beijing-centric mentality.

About the Author

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Notes

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