

## Beijing's New Strategies toward a Changing Taiwan

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## Beijing's New Strategies toward a Changing Taiwan

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### ABSTRACT

Beijing's new strategies toward Taiwan are informed by neo-functionalism derived from European experiences, assuming that economic integration will eventually lead to political accommodation and integration. Despite the surprising Sunflower Movement and the fiasco of the Chinese Nationalist Party (KMT) in the 2014 local elections, Beijing will try its best to maintain the momentum of peaceful development of cross-Strait relations. Facing a brand new Taiwan that seems an oddity to the mainland, however, Beijing has adapted to 'the new normal' with a slower pace, refocusing on the economic and cultural issues. Whether or to what degree Beijing will change its asymmetric engagements with the two main parties on the island, however, is contingent upon whether the KMT and the Democratic Progressive Party (DPP) can reach a balance of power domestically and whether their policies toward the mainland converge rather than diverge. At any rate, Beijing is likely to pay more attention to ordinary people's feelings about cross-Strait economic and cultural exchanges and consider quality of cross-Strait exchange as more important than quantity of activities.

### I. Introduction

The outcome of Taiwan's 'nine-in-one' elections in November 2014 may predict another power turnover, from the pro-status quo Kuomintang (KMT) back to the pro-independent Democratic Progressive Party (DPP) in the forthcoming January 2016 leadership and legislative elections. Retrospectively, Taiwan's power turnover from the DPP back to the KMT in 2008 provided the momentum for Beijing's strategy of peaceful development of cross-Strait relations. This strategy is featured in comprehensive exchanges between the two societies in economic, cultural and societal spheres and the Chinese Communist Party (CCP)'s asymmetric engagement with the two main parties on the island. The CCP-KMT exchange platform, initiated by the ice-breaking mainland trips of KMT Chairman Lien Chan in 2005, has been fully developed since 2008 when the KMT came back to power under the leadership of Ma Ying-jeou. Meanwhile, the opposition DPP has been largely marginalized in the process of peaceful development. During Ma's first term, the DPP tried its best to boycott the administration's engagement with the mainland. For example, when the president of the Association for Relations across the Taiwan Straits (ARATS) Chen Yulin visited Taiwan in November 2008, his delegation was encircled within the hotel lobby by DPP supporters; when former ARATS Vice President Zhang Mingqing visited Tainan the same year, he was pushed to the ground at a tourist site by a DPP city councilor. Some of the DPP's local officials, such as Kaohsiung City Mayor, Chen Chu, did manage to visit the mainland for the city exchange program in

the summer of 2009, but the value of this ice-breaking visit was not highly regarded by many people in the mainland.

As the DPP has simply rejected the idea of the '92 consensus' from the very beginning, the majority of Taiwanese people do not trust that the party would handle cross-Strait relations well after returning to power. This sentiment, in addition to the mainland's distrust and Washington's suspicions of the DPP, contributed to the party's defeat in the 2012 'two-in-one' (administrative leadership and legislature) elections. DPP Chairwomen Tsai Ing-wen then recognized her failure was partly due to the party's unworkable mainland policy. This policy has been considered, by some elite within the party, as the obstacle which prevented electoral victory.<sup>1</sup> Since 2012, more DPP city mayors, county magistrates and legislators have managed to visit the mainland in their official or individual capacity. The academic platform has become an important format of 'Red-Green' exchange.<sup>2</sup> However, the scale and frequency of such non-party-to-party communication channels are limited, because the DPP has not accepted the '92 consensus' or provided any other satisfactory political bases for dialogue with the mainland.

Beijing's asymmetric engagement with the two main parties has involved a colorful game of Red (CCP), Blue (KMT) and Green (DPP) players, with the Greens as the odd man, either being marginalized or playing a negative role. The development of cross-Strait relations over the past seven years has been a win-win game contributed to and benefiting both Reds and Blues. The surprising 18 March Sunflower Movement and the triumph of the DPP in the 29 November elections, however, have injected an uncertainty into cross-Strait relations beyond 2016. While the Sunflower Movement dragged the approval process in Taiwan's legislature for the implementation of the Service Trade Agreement, the outcome of the November 2014 elections demonstrated the likelihood of a power turnover from the KMT back to the DPP in the 2016 elections. Facing a changing Taiwan, will the mainland government change its strategy of peaceful development of cross-Strait relations in the years to come? Has the approach of 'economy first, politics later' and 'easy things first, difficult things later' reached the point at which the mainland should pay more attention to difficult political and social issues? Will Beijing maintain its tactics of asymmetric engagements with the two main parties in Taiwan, visibly preferring the KMT to the DPP? Can the mainland government find a way to ensure that ordinary Taiwanese people and big businessmen equally benefit from economic exchange related to Beijing's preferential measures?

This article assumes that the mainland government will make great efforts to maintain the momentum of peaceful development of cross-Strait relations. Its engagement tactics toward the two main parties in Taiwan, however, are dependent on Beijing's perceptions of Taiwanese party politics, namely, whether the two parties can reach a balance of power domestically and whether their policies toward the mainland can be convergent rather than divergent. At any rate, the mainland government is likely to pay more attention to ordinary people's feelings about cross-Strait economic and cultural exchanges and consider quality of cross-Strait exchange as more important than quantity of activities. The word 'strategy' is used here to refer to 'a comprehensive way to try to pursue political ends, including the threat or actual use of force, in a dialectic of wills' between different parties.<sup>3</sup> It is a 'system of finding, formulating and developing a doctrine that will ensure long-term success if followed faithfully'.<sup>4</sup> A strategy describes how the ends will be achieved by the means, which can be intended or can emerge as a pattern of activity as the organization adapts to its environment or competes. It involves activities such as strategic planning and strategic thinking.<sup>5</sup>

<sup>1</sup>Remarks by Lo Chih-cheng, see Xu Bodong and Guo Qingjin, eds, *Jin shinianlai minjindang dalu zhegnce dashiji* [Important Things Related to the Democratic Progressive Party's Mainland Policy over the Past Ten Years] (Beijing: Jiuzhou Press, 2013), p. 211.

<sup>2</sup>Zhou Lihua, 'Honglv jiaoliu dui liangan heping jiagou de yiyi' ['Significance of "Red-Green exchange" for cross-Strait peace framework'], *China Review* 16(192), (2013), p. 34.

<sup>3</sup>Lawrence Freedman, *Strategy* (New York and Oxford: Oxford University Press, 2013).

<sup>4</sup>Vladimir Kvint, *The Global Emerging Market: Strategic Management and Economics* (London and New York: Routledge, 2009).

<sup>5</sup>Henry Mintzberg and James Brian Quinn, *The Strategy Process: Concepts, Contexts, Cases* (Upper Saddle River, NJ: Prentice Hall, 1996).

## II. Beijing's strategy of peaceful development of cross-Strait relations

### II.1. A historical overview

Beijing's strategy of peaceful development of cross-Strait relations, first proposed in May 2004 and further endorsed by the party's national congresses in 2007 and 2012, aims to achieve its long-term goal of peaceful unification with Taiwan. In other words, cross-Strait relations are expected to develop peacefully toward Beijing's final goal of national reunification. Peaceful development and peaceful unification, therefore, are two sides of the same coin. Beijing's idea is different from that of Taipei, which highlights peace *and* development of the *two sides* of the Taiwan Strait, while putting aside the issue of national unification since the late period of Lee Teng-hui. Still, both sides can use the same words 'peace' and 'development' even during the troublesome Chen Shui-bian period, when the word 'cold peace' was coined by academia to refer to the Strait tension. It is worthwhile to recall that Beijing first proposed the idea of peaceful development of cross-Strait relations on 17 May 2004, three days before Chen Shui-bian started his second term in office. What Beijing proposed then was that the two sides, under the 'one-China' principle, formally end political hostility and establish a framework for peaceful and stable development of their relations, including building a military mutual trust mechanism.

This soft strategy however, is intertwined with hard tactics of the anti-secession law. It has only maximized its flexibilities after the KMT came back to power in 2008. Based on the '92 consensus', the mainland government and Taiwan authorities have signed 23 agreements through 11 rounds of negotiations, via two semi-official institutions, the ARATS in the mainland and the Strait Exchange Foundation (SEF) on the island. The contents of these agreements include the start of direct 'three links' (direct transportation and postal service in particular), the opening of mainland tourism to Taiwan, and cross-Strait cooperation in the fields of food safety, finance, crime crack down, product inspection, fishing crew affairs, intellectual property rights protection, medicine and health. In particular, the two sides signed the Economic Cooperation Framework Agreement (ECFA) and the Service Trade Agreement. Following the ideas of 'economy first, politics later' and 'easy things first, difficult things later', officials from the Taiwan Affairs Office (TAO) in the mainland and the Mainland Affairs Council (MAC) on the island officially met in the fall of 2013 for the first time, suggesting the two sides may engage in political dialogue sooner or later. According to Su Chi, the brain trust of Ma Ying-jeou in his first two years in office, cross-Strait relations in economic, cultural, political, diplomatic and military areas since 2008 have all, though with different degrees, moved in the 'soft' direction.<sup>6</sup> For example, cross-Strait trade increased from US\$129 billion in 2008 to US\$198 billion in 2014, accounting for about 30% of Taiwan's total foreign trade. Taiwanese direct investment in the mainland approved by the island's authorities increased from US\$1 billion in 2008 to US\$2 billion in 2014. Tourists from Taiwan to the mainland increased from 4.39 million person/times in 2008 to 5.37 million in 2014, while tourists from the mainland to Taiwan jumped from less than 300,000 to 4.05 million during the same period.<sup>7</sup> Political contacts between the two sides have extended from the semi-official level (ARATS vs. SEF) to official (TAO vs. MAC) level. Because of the *de facto* 'diplomatic truce', Taiwan's small diplomatic allies remained magically stable between 2008 and 2013, with more international participation by the island in the name tacitly agreed to by the mainland. Judging from Beijing's practice over the past seven years, a tacit truce over the two sides' diplomatic allies and the case-by-case management of Taiwan's participation in international organizations have become a format in handling the issue regarding the island's external exchanges. Such a truce would have been impossible had Beijing not restrained itself, as some small countries wanted to shift their diplomatic ties from Taiwan to the mainland, as long as they could obtain the same aid from the latter.

<sup>6</sup>Su Chi, 'Ma zhengfu shiqi liangan guanxi de gaikuang he zhanwang' ['The general situation and prospects of cross-Strait relation during the Ma administration'], in Su Chi and Tung Chen-yuan, eds, *Liangyan guanxi de jiyu yu tiaozhan* [*Opportunities and Challenges for Cross-Strait Relations*] (Taipei: Wunan Press, 2013), p. 18.

<sup>7</sup>*Ibid.*, p. 8; new data are available at: <http://tga.mofcom.gov.cn/article/d/201501/20150100875390.shtml> (accessed 15 May 2015).

Even in the military area, the two sides began to talk about confidence building measures once and for all in summer 2009. Beijing's missile deployment along the Taiwan Strait has not decreased, but has not increased either.

All of these developments have been achieved within the framework of one China or the '92 consensus', a tacit agreement between ARATS and SEF reached in 1992, when the two parties expressed their ideas, respectively, in written communications that both sides of the Taiwan Strait belong to one China and both strive for national reunification. While the SEF made it clear that one China meant the Republic of China (ROC) whose sovereignty and territory extended to the mainland, the ARATS did not—and could not—accept the formula of 'one China with different expressions' and would rather set aside that issue during non-political and functional negotiations. Despite the DPP's denial of the existence of the '92 consensus' in history, the Ma administration recognized it from the very beginning. For Ma, the true meaning of the '92 consensus' is that the relationship between Taiwan and the mainland is not a state-to-state one, and neither unification nor independence would be pursued in his term. From Beijing's perspective, Ma's position may be not good enough, but it is still much better than Lee Teng-hui's allegation of a 'special state-to-state relationship' with the mainland and Chen Shui-bian's assertion of 'one state on each shore of the Taiwan Strait'. As long as the *de jure* one-China framework can be maintained, Beijing is not eager to push for an instant unification by force against the free will of the majority of the Taiwanese people. Rather, Beijing's priorities are: (1) to promote economic and cultural exchanges with Taiwan; (2) to stop squeezing Taiwan out of international society; (3) to pragmatically explore with Taiwan the nature of their political relations under the special circumstance prior to China's reunification; (4) to have military contact and exchange with Taiwan and discuss the issue of establishing a mechanism of military and security mutual trust; and (5) to end political hostilities between the two sides and sign a peace agreement with Taipei.<sup>8</sup>

During Ma's first term in office, Beijing had higher expectations for him to reach a peace agreement, which was after all his campaign promise. The year of 2009 witnessed greater efforts on the part of the mainland to reach such an agreement than earlier and later years. The subject of a peace agreement became a popular topic among relevant scholars and government officials on both sides, and caught the attention of some foreign scholars.<sup>9</sup> Mainlanders were divided on whether such an initial agreement should be clearly oriented to unification, as was revealed in the conference of 'Two Shores of the Strait over the Past Six Decades' (*liangan yi jiazi*) held in Taipei during November 2009, as well as in the publications of different mainland-based scholars.<sup>10</sup> However, Taipei turned out to be hesitant to sign any peace agreement with Beijing, even as the agreement was not preconditioned toward unification. Due to a domestic boycott on the island, the signing of the Economic Cooperation Framework Agreement (ECFA) took longer than Beijing had expected and fewer non-political agreements have been reached by ARATS and SEF since 2011, as can be seen from Table 1.

## II.2. Walking through the 'deep water' area

Ma's second term in office was concurrent with a smooth power succession in the mainland from Hu Jintao to Xi Jinping. It is trite to talk about the policy continuities from Hu to Xi, as the ideas of peaceful development of cross-Strait relations were enclosed in the political report delivered by Hu at the CCP's

<sup>8</sup>Hu Jintao, 'Let Us Join Hands to Promote the Peaceful Development of Cross-Strait Relations and Strive with a United Resolve for the Great Rejuvenation of the Chinese Nation', Speech at the Forum Marking the 30th Anniversary of the Issuance of the Message to Compatriots in Taiwan, 311 December 2008, *People's Daily*, (1 January 2009), p. A.

<sup>9</sup>Phillip C. Saunders and Scott L. Kastner, 'Bridge over trouble water?—Envisioning a China–Taiwan peace agreement', *International Security* 33(4), (2009), pp. 91–98.

<sup>10</sup>Xin Qi, 'Bawo jiyu, cujin liangan guanxi heping fazhan' ['Catching the opportunity and promoting peaceful development of cross-Strait relations'], paper presented at a symposium on *Peaceful Development of Cross-Strait Relations and Opportunity Management*, Beijing, 31 August 2009; Zhu Weidong, 'Guanyu liangan heping xieyi de jiben neirong' ['On the basic contents of cross-Strait peace agreement'], paper presented at the *First Forum of Cross-Strait Peace*, Shanghai, 11–12 October 2013.

**Table 1.** Cross-Taiwan Strait agreements from 2008 to 2015.

Chen–Chiang/Lin Talks	Contents of agreement
1st Round, Beijing June 2008	1. Travel by mainland residents to Taiwan 2. Minutes of talks on cross-Taiwan Strait charter flights
2nd Round, Taipei November 2008	3. Direct sea transport 4. Direct flights 5. Postal service 6. Food safety cooperation
3rd Round, Nanjing April 2009	7. Cross-Strait air traffic supply 8. Cross-Strait financial cooperation 9. Cross-Strait mutual assistance in cracking down on crimes
4th Round, Taichung December 2009	10. Cooperation of agricultural product quarantine and inspection 11. Cooperation of product metrology, inspection and accreditation 12. Cooperation of fishing crew labor
5th Round, Chongqing June 2010	13. Economic Cooperation Framework Agreement (ECFA)
6th Round, Taipei December 2010	14. Intellectual property rights protection 15. Cooperation of medicine and health
7th Round, Tianjin October 2011	16. Nuclear energy security
8th Round, Taipei August 2012	17. Investment protection and promotion 18. Customs cooperation
9th Round, Shanghai June 2013	19. Service Trade Agreement
10th Round, Taipei February 2014	20. Meteorological cooperation 21. Seismic monitoring cooperation
11th Round, Fuzhou August 2015	22. Cooperation in civil aviation flight safety 23. Avoidance of double taxation in cross-Strait trade

18th National Congress.<sup>11</sup> Indeed, following the party congress, Beijing has made greater efforts to explore the nature of political relationship between the two sides and has proposed to make reasonable and law-binding (*heqing heli*) arrangements for it. Because Beijing and Taipei had harvested all the low-hanging fruits in Ma's first term and left difficult politics untouched, the 'structural' problem—the sovereignty issue—remains a hindrance for further developments in cross-Strait relations.<sup>12</sup> This means that the two sides have to muddle through the 'deep water' for high-hanging fruits. From the mainland perspective, political dialogue, if not formal political negotiation between the two sides, is necessary and inevitable.

To resolve the 'structural' problem between the two sides, many internal or track-two meetings have been convened since the fall of 2012. In the wake of the party's 18th National Congress, a conference titled 'Taipei Talks' co-hosted by the Research Center for Cross-Strait and Regional Integration at Taiwan University and the Institute of Taiwan Studies at the Chinese Academy of Social Sciences was held in Taipei during December 2012 and was followed by the 'Beijing Talks' in June 2013. The Peace Forum co-hosted by seven semi-official academic institutions on each side had its first round conference in October 2013 and was scheduled for its second round in 2015. The principal hosts of the Peace Forum are the well-known mainland-based National Society of Taiwan Studies and the Taipei-based 21st Century Foundation, which has close connections with the New Taipei City Mayor and KMT Chairman Chu Li-luan. This forum has gathered more than 150 participants from the two sides and reached some consensus.<sup>13</sup> It is worthwhile to note that the Ma administration was much less enthusiastic than Beijing to endorse such track-two dialogues. While Beijing sent its officials representing the TAO of the State

<sup>11</sup>Chien-pin Li, 'New leaders with old lenses? China's conflict frames toward Taiwan, 2003–2013', *Journal of Chinese Political Science* 20(1), (2015), pp. 67–85.

<sup>12</sup>Weixing Hu, ed., *New Dynamics in Cross-Taiwan Strait Relations* (London and New York: Routledge, 2013), pp. 8–9.

<sup>13</sup>See 'Conference summary of the first Forum of Cross-Strait Peace', *China Review*, (12 October 2013), available at: <http://www.zhghpl.com/doc/1027/9/3/1/102793177.html?coluid=1&kindid=0&docid=102793177> (accessed 15 August 2015).

Council to these meetings, no representatives from the Ma administration attended these meetings. This suggests that Beijing is more eager than Taipei to promote political dialogues between them. The sensitive political issues to be discussed and debated in these meetings include: the nature of cross-Straits political relations; the way of Taiwan's participation in the international community; the mechanism of military and security mutual trust between the two sides; and a framework of peaceful development of cross-Straits relations. According to Kao Yu-Jen, the President of 21st Century Foundation, both sides should recognize each other's overlapping sovereignty (claiming the same one China) and separated governance.<sup>14</sup> Mainland scholars cannot help but wonder how one side can recognize the other side's sovereign claim on the same territory claimed by itself. From the one-China perspective, it is inconceivable for the mainland to recognize the legitimacy of the Republic of China, as the latter is clearly related with the idea of statehood. Neither can the mainland accept the idea of two brother states (*xiongdì zhibang*) proposed by the supporters of the DPP during the Peace Forum. At any rate, in building a framework for peaceful development of cross-Straits relations, the two sides seemed to have moved from economic and cultural spheres into the political arena, facing more structural difficulties and challenges.

Another effort to resolve the structural problem is the initiation of formal meetings between TAO Director Zhang Zhijun and MAC Chairman Wang Yu-chi. When they first met at the 2013 APEC meetings, Zhang and Wang addressed each other by official title. This formula of official contacts was rehearsed in February, June and October of 2014, when they met in Nanjing, New Taipei City and Beijing, respectively, despite the shockwave of the 18 March Sunflower Movement and the acute campaigns of the 'nine-in-one' elections in Taiwan. Zhang's scheduled visit to Taipei in February 2015 was postponed to May due to Wang's sudden resignation from office. This formula of 'normalized mechanism of contact and communication' is likely to continue in the remaining months of Ma's second term. The political significance of these official meetings is that Beijing has positively recognized the existence of departments of public authorities (*gongquanli bumen*) in Taiwan. While mainland scholars are divided on whether Taiwan's authorities should be addressed as a political entity with separated governance or simply a regional government equivalent to mainland government under the same roof of *de jure* one China, they all agree that the two sides share the same sovereignty and territory of China. To insist on the one-China framework is the bottom line of the mainland in defining the political relationship and making *heqing* and *heli* arrangements of business affairs between the two sides prior to unification. According to a former director of the Taiwan Affairs Office, Wang Yi's interpretation, the so-called *heqing* means taking care of each side's feelings and *heli* means abiding by the laws proclaimed by the two sides (*fuhe falì*).<sup>15</sup> From Beijing's perspective, the Mainland Affairs Council in Taiwan has actually suggested the one-China framework by name. One may expect such a precedent to be applied to other ministerial exchanges between the two sides in the future under a good atmosphere, except for ministries for foreign affairs and national defense that carry a clear message of statehood. Within the one-China framework, the two sides can hopefully treat each other as two equivalent political entities, public authorities and even governments, as long as they claim the same sovereignty (China) constitutionally and internationally. Based on the same territory and sovereign claim, the two sides can address each other as the Chinese mainland government and the Chinese Taiwan government when they engage in formal political dialogue or negotiation. Some symbolic issues remain: how can Beijing recognize the legitimate existence of the Mainland Affairs Council without facing squarely its supervisory institute, the Executive Yuan of the Republic of China? Can Beijing respect the spirit of a Taiwanese legal system that confirms the one-China framework without recognizing the government that makes the law, therefore

<sup>14</sup>Kao Yu-ren, 'Liang'an heping fazhan dabu xiangqian, yingjie xinjiyuan' ['Great step forward in the development of cross-Straits peace and welcome the new times'], *China Reviews Web*, (11 October 2013), available at: [http://www.zhgp.com/doc/1027/8/9/1/102789166\\_2.html?coluid=7&kindid=0&docid=102789166&mdate=1011112340](http://www.zhgp.com/doc/1027/8/9/1/102789166_2.html?coluid=7&kindid=0&docid=102789166&mdate=1011112340) (accessed 15 August 2015).

<sup>15</sup>Liu Lingbin, 'Dui weilai liangan zhengzhi guanxi anpai de ruogan sikao' ['Some thoughts on the arrangement of cross-Straits political relations in the future'], *China Review* 17(198), (2014), p. 41.

separating the product from the author? Many people in Taiwan believe that the mainland should respect the fact that the ROC is still alive, rather than being replaced by the People's Republic of China (PRC) in 1949. From the mainland perspective, however, the word *guo* (state) within '*zhong hua min guo*' (Republic of China) has three levels of meaning: power (*zhengquan*), political symbol and sovereignty state. As power or political symbol, the word *guo* is different from the word *guo* as sovereignty state.<sup>16</sup>

The third effort to resolve the structural problem is to increase the attractiveness of the unification formula for Taiwan. Whereas 'one country, two systems' is the standard formula decided by Deng Xiaoping and followed by successive Chinese leaders, Xi Jinping has attempted to make it acceptable to Taiwan through two measures. First, Beijing makes it clear that the Taiwan model of 'one country, two systems' is different from the Hong Kong model, which is particularly important in the wake of social protests in Hong Kong against the 2017 electoral formula approved by Beijing. When meeting with Lien Chan, the honorary chairman of the KMT in February 2014, Xi expressed his understanding that the Taiwanese people *cherish* (*zhenshi*) the social system and living style they have chosen for themselves. While 'social system' here obviously included both economic and political systems, the word *cherish* suggested that these systems were good for Taiwan and therefore should be appreciated. According to Xi, the mainland not only respects the social system and living style in Taiwan, but also wants to share the developmental opportunities in the mainland with the Taiwanese people.<sup>17</sup> When Yu Zhengsheng, chairman of the Chinese People's Political Consultation Conference, made opening remarks at the 6th Strait Forum, he reiterated Beijing's respect for the Taiwanese social system and living style, adding *value* and ideas to the list.<sup>18</sup> TAO Director Zhang Zhijun repeated what Xi had told Lien Chan while meeting with Kaohsiung City Mayor Chen Chu in June 2014. Xi's September 2014 remarks of 'one country, two systems', when meeting with several pro-unification or pro-integration delegations from Taiwan, could be interpreted using the same lens. Second, Xi used some sentimentally appealing terms, such as 'two shores, one close family' (*liangan yijia qin*) and 'both sides effecting the Chinese dream' (*gongyuan zhongguo meng*) to convey the similar ideas of 'both the mainland and Taiwan belong to one China' and 'striving for China's reunification'. What he has emphasized is that the unification is a common project contributed to by people on the two sides of the Taiwan Strait and that unification can be achieved only in the process of China's rejuvenation. Thus, peaceful unification is contingent upon peaceful development of the two sides.

Despite the structural problem, many factors suggest that the mainland government will try its best to continue the current strategy of peaceful development of cross-Strait relations in the years to come, as ARATS President Chen Deming remarked during his trip to Taiwan after the 2014 elections. Informed by neo-functionalism derived from European integration experiences, Beijing's strategists on Taiwan have learned to resolve easier economic issues first and more difficult political issues later, assuming that economic integration will eventually lead to political accommodation and even political integration. Economic and cultural exchanges between the two sides have reached a point of no return over the years. Neither the mainland nor Taiwan can easily offer to stop the inevitable trend and go back to the old days of a quarter century ago. From the perspective of the 'security community', the growing functional interdependency will make war too mutually costly to be feasible.<sup>19</sup> Thus, as long as Taiwan does not declare independence or openly challenge the one-China principle, making it impossible for Beijing to reach its political goals someday, the rewards of patience will outweigh the risk of waiting and cross-Strait peace can be maintained, as Richard Bush predicted earlier.<sup>20</sup>

<sup>16</sup>Liu Guoshen and Rui Peng, 'Liangyan guanxi heping fazhan zhong de heqing heli anpai wenti' ['On the issue of reasonable and law-binding arrangement in peaceful development of cross-Strait relation'], *China Review* 17(194), (2014), p. 5.

<sup>17</sup>Xi Jinping's speech at meeting with Lien Chan, reported by *New Chinese News Agency*, 18 February 2014.

<sup>18</sup>Yu Zhengsheng, 'Opening remarks at the 6th Strait Forum', *Strait Forum*, (15 June 2014), available at: [http://www.taiwan.cn/hxlt/zxbb/newfive\\_45014/201406/t20140615\\_6320721.htm](http://www.taiwan.cn/hxlt/zxbb/newfive_45014/201406/t20140615_6320721.htm) (accessed 15 August 2015).

<sup>19</sup>Karl Deutsch et al., *Political Community and the North Atlantic Area: International Organization in the Light of Historical Experience* (Princeton, NJ: Princeton University Press, 1957).

<sup>20</sup>Richard Bush, *Uncharted Strait: The Future of China-Taiwan Relations* (Washington, DC: Brookings Institution Press, 2013), p. 143.



### III. Beijing's tactics toward different parties in Taiwan

Beijing has long adopted a strategy of engaging with the ruling KMT to achieve the goal of national reunification. The first power turnover from the KMT to the DPP did not change Beijing's engagement strategies in favor of the former, as the establishment of the CCP–KMT platform in 2005 indicated. Several factors have contributed to Beijing's preference of the KMT to the DPP. First, the KMT accepts the one-China framework, while the DPP has maintained an independence clause in its party platform since 1991. The DPP's 1999 Resolution on the Future of Taiwan maintains the spirit of independence and insists that the ROC is a sovereign state separated from the PRC. Second, party politics since 2000 have moved from convergence toward divergence. Although the pro-independent DPP controlled the executive power for eight years, the Pan-Blue legislators remained the majority in the legislature, resulting in policy confrontation between these two main parties. Third, party politics continued to be polarized during the Ma Ying-jeou period. The opposition DPP controlled much fewer seats in the legislature, and boycotted—through tactical confrontation on site and party caucus negotiation behind the screen—against the KMT's policy initiatives on mainland affairs.

#### III.1. Beijing's understanding of dynamic party politics in Taiwan

Since the KMT came back to power in 2008, Beijing has displayed its growing confidence on the evolving situation within the island. The Ma administration's acceptance of the '92 consensus' and willingness to normalize cross-Taiwan Strait relations without desinification (*qu zhongguo hua*) have relieved Beijing of its earlier concern over Chen Shui-bian and Lee Teng-hui, who appeared to be desperately pulling the island toward the direction of independence. Ma's remarks of non-state-to-state relations between the two sides of the Taiwan Strait have been highly appreciated by the mainland. Some mainland scholars, however, have openly criticized Ma for not being able to lead Taiwan toward China's reunification. According to General Luo Yuan, what Ma Ying-jeou has pursued is to maintain the independent status quo of Taiwan (*dutai*), rather than promoting Taiwan independence (*taidu*); *dutai* and *taidu* are the two sides of the same coin.<sup>21</sup> Still, Beijing has clearly preferred the KMT to the DPP, particularly during the electoral season. It is well known that Beijing has attempted to influence the outcome of Taiwanese elections since 1996, resorting to military drills, political threats and economic leverage. The most recent case is the 2012 elections when the mainland factor reduced the votes of DPP's Tsai Ing-wen to a great degree, as was admitted by the party itself in post-election review. Prior to the elections, Beijing had successfully convinced people on the island that once the DPP came back to power, cross-Strait relations would be damaged because that party did not accept the '92 consensus'. Many big entrepreneurs followed suit by endorsing the consensus.

Beijing's distrust of the DPP has affected its understanding of party politics in Taiwan, including the likelihood of power turnover and the possible transformation of the DPP's mainland policy. One popular argument in the wake of the 2012 elections is that the DPP cannot change its mainland policy unless it failed again in the 2016 elections.<sup>22</sup> Correlatively, many mainland scholars believed that the KMT was more likely to win the 2016 elections than the DPP. Prior to the 'nine-in-one' elections in 2014, the majority of scholars in the mainland did not believe that the DPP could win more than half of local executives and expected the KMT to maintain *at least* three metropolitan mayoral seats, including New Taipei City, Taoyuan City and Taipei City or Taichung City, if not both. Although the public polls had consistently suggested that the KMT candidates for Taipei and Taichung mayoralities fell far behind the

<sup>21</sup>Ma Ying-jeou butong budu buwu zhengce bei zhi shi heping fenli' ['Ma Ying-jeou's policy of "no unification, no independence and no war" is referred by Beijing as peaceful separation'], *Southern Daily Online*, (26 November 2009), available at: [http://www.southcn.com/nfdaily/china/content/2009-11/26/content\\_6552253.htm](http://www.southcn.com/nfdaily/china/content/2009-11/26/content_6552253.htm) (accessed 10 August 2015).

<sup>22</sup>Leng Bo, 'Minjindang liangan zhengce tiaozheng guancha' ['An observation of the adjustment of DPP's cross-Strait policy'], *China Review* 17(195), (2014), p. 17; Yang Youyan, 'Minjindang liangan zhengce zhuanxing zhi guancha' ['An observation on the transformation of DPP's cross-Strait policy'], *China Review* 17(195), (2014), p. 9.

DPP candidates, many scholars in the mainland still believed that the disadvantages of Taipei mayoral candidate Lien Sheng-wen (coming from a high-ranking official family but with few political or administrative experiences) and Taichung mayoral candidate Jason Hu (sitting in the mayoralty for 13 years with declining vitality) could be offset by several factors. First, Blue supporters have outnumbered Green supporters in these two big cities, particularly in Taipei. Second, Jason Hu's governance performance and the unity of local factions of 'Black' and 'Red' in Taichung in support of Hu could ensure his reelection. Third, cross-Strait relations and related economic interests would encourage voters in the middle to support KMT candidates. Missing or underestimated in their calculations included voters' perception (rightly or wrongly) of the poor performance of the Ma administration, moderate voters' shifting preference to different parties, the impact of the Sunflower Movement on the voting behavior of the youth and ordinary people's material unhappiness despite increasing economic exchanges with the mainland. In a nutshell, subjective preference and lack of solid empirical studies have resulted in the blurring of the fall line between what ought to be and what will be in electoral prediction. Selective media reportage in the mainland of the electoral campaign favoring the KMT also helped to shape people's misperception of the electoral outcome.

Because of the mirror image political environment in the mainland, Beijing tends to pay great attention to political leaders in Taiwan, including their ideologies, personalities and political capabilities. When Chen Shui-bian first came to power in 2000, people in the mainland wondered very much about whether Chen was a fundamental ideologue or an opportunist politician. By the same token, after Ma came to power, the mainlanders were eager to learn more about Ma's ideology on the issue of unification and independence. Ma's leadership style and personality also aroused people's great interests. With the same logic, Taiwan experts in the mainland have paid specific attention to the new KMT chairman Chu Li-luan and DPP chairwoman Tsai Ing-wen regarding their positions on the issue of unification and independence, personalities and political capabilities. Will Chu Li-luan maintain Ma's mainland policy or accept the greater one-China framework, and pull the party to the central line in dealing with the mainland? Will the DPP under the leadership of Tsai Ing-wen move to the central line? These are questions with uncertainties. Many observers in the mainland, however, agree that Ma is a unique leader with a strong Chinese consciousness. It is difficult to expect that other leaders after Ma would have stronger Chinese sentiments than him.

### ***III.2. From asymmetric to symmetric engagement with relevant parties in Taiwan?***

If the KMT maintains its original position on the one-China framework, one can expect the CCP-KMT platform to work continually, both before and after the 2016 elections. If the KMT loses the 2016 elections, Beijing will still continue its contacts with the party and prevent it from marginalization. Mayor and Chairman Chu Li-luan's mainland trips in May 2015 are a good example. From the mainland perspective, the KMT has over the years benefitted from its acceptance of the '92 consensus'. It appears that the post-Ma KMT leadership has no reason to shift away from this position, given the Chinese element in the party's name (Chinese Nationalist Party). According to a survey conducted by the Center for Taiwan Studies at Shanghai Jiao Tong University in October 2014, 77.3% of KMT supporters agreed that Taiwan should negotiate with the mainland continuously based on the '92 consensus'.<sup>23</sup>

In the remaining months of Ma's second term, Beijing may continually promote the institutionalization of cross-Strait exchange, including the authentication of the Service Trade Agreement by Taiwan's legislature, signing of the Goods Trade Agreement as well as other agreements on cultural and educational exchanges, and establishment of reciprocal SEF and ARATS offices left over three years ago.<sup>24</sup> However, Beijing may also reduce its previous efforts at pushing for political dialogue with Taipei. According to Zhang Nianchi, director of the Shanghai-based Institute for East Asian Studies, the swift

<sup>23</sup>Database of Center for Taiwan Studies, Shanghai Jiao Tong University.

<sup>24</sup>Alan D. Romberg, *Across the Taiwan Strait: From Confrontation to Cooperation*, Vol. 3 (Washington, DC: Stimson, 2012), p. 201.

development of cross-Strait relations from 2008 to 2014 will be replaced with a new developmental model with a slower pace, refocusing on the economic issues. Such a 'new normal' (*xinchangtai*) in peaceful development of cross-Strait relations, in Zhang's words, is accompanied by a brand new Taiwan that is an oddity to the mainland.<sup>25</sup> One cannot help but argue that the swift but unsustainable developmental model over the past years has been attributable to Beijing's asymmetric engagement strategy toward the two main parties in Taiwan. While the CCP and the KMT co-ignited the development of cross-Strait relations like double engines, the opposition DPP was marginalized and tried its best to drag the movement. To be sure, Beijing's asymmetric strategy has been derived from the ideological gap between the KMT and the DPP on the issue of how to deal with the mainland, but it also induces the once weak DPP to oppose whatever the CCP and the ruling KMT have proposed. The outbreak of the Sunflower Movement and the reaction of Taiwanese voters against the Ma administration have challenged the sustainability of the Red–Blue game of peaceful development of cross-Strait relations. If Beijing's previous policies and strategies are to prevent the DPP from coming back to power, it then may have to prepare to deal with such an odd man in the unfolding Red–Blue–Green game. The emerging symmetric power relationship between the two main parties in Taiwan has provided an opportunity for Beijing to reflect on its asymmetric engagement strategy. How to engage, if not contain, the DPP and find a new strategy in the post-Ma Taiwan demands new thinking.

Many observers in the mainland believe that the DPP's great victory in the November 2014 elections will reduce the motivation for Tsai Ing-wen to walk the 'last mile of road' toward coming to power, namely, to adjust the party's policy and convince ordinary Taiwanese that the DPP is able to handle cross-Strait relations well. In the case that the DPP wins the 2016 elections without accepting the spirit of the '92 consensus' endorsed by the CCP's 18th National Congress, Beijing has reason to stop ARATS–SEF negotiations and even retract unilateral economic benefits to the island, making Taiwan's economic circumstance even worse. Beijing could also take away a few of Taiwan's diplomatic allies, who have long wanted to switch ties from Taiwan to the mainland but were declined by the latter for the sake of cross-Strait relations. The DPP's confrontational policy toward the mainland, from this point of view, would provide a good excuse for the mainland to squeeze Taiwan out of the international arena and therefore advance the national unification cause. Should the DPP react strongly against the mainland by moving again toward *de jure* independence, Beijing could take tougher countermeasures (including military means) against Taiwan. Since Beijing could tackle the troublesome DPP administration between 2000 and 2008, according to the hardliners, it can do an even better job beyond 2016, given the rising power of the Chinese mainland as opposed to Taiwan. According to this logic, Beijing must maintain its strategy of asymmetric engagements with the two main parties in Taiwan. Thus, the DPP will continue to be the odd man in the game and power turnover within Taiwan will naturally result in ups and downs of cross-Strait relations.

Other observers in the mainland, however, argue that the DPP's landslide victory during the elections can ensure that the party moves to the central line, getting more votes from modest voters than it might lose from its fundamental supporters. Moreover, from the perspective of governance rather than an electoral campaign, Tsai Ing-wen may have to prepare a solid base for dealing with the mainland before it is too late. Since the Pan Blue camp only controls eight out of 22 cities and counties in Taiwan, accounting for 26.78% of the total population only, and the DPP has received more votes than the KMT in local executive elections, many people have predicted that Tsai Ing-wen will become the Taiwanese leader in 2016. In the past, the KMT's clear advantage over the DPP in terms of votes and seats, in addition to its acceptance of the one-China framework, have marginalized the weaker and pro-independence DPP's role in cross-Strait relations. The DPP's performance is neutral at best and negative at worst. The mainland should now communicate with the DPP members pragmatically and selectively,

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<sup>25</sup>Zhang Nianchi, 'Jiuheyi xuanju yu Taiwan de jietou yundong' ['On "nine-in-one" elections and street movement in Taiwan'], *China Review* 18(205), (2015), pp. 4–6.

while insisting on Beijing's position and urge the party to gradually transform or adjust its mainland policy.<sup>26</sup> As in the past, this discussion has presumably reflected higher-level debate to some extent.<sup>27</sup>

In brief, if power turnover between the two main parties becomes inevitable and the difference between the KMT and the DPP on how to deal with the mainland is narrowed down significantly, it is reasonable to expect Beijing to take a symmetric strategy in engaging with the two parties, creating a balanced and sustainable developmental model of cross-Strait relations. If so, the two parties in Taiwan may compete with each other to develop a good relationship with the mainland.<sup>28</sup>

### III.3. *Certainties in uncertainties*

Will the DPP adjust its mainland policy in the months to come? This is a barometer to observe the different trends of party politics—convergent or divergent—in Taiwan. Several figures within the DPP have recently attempted to find a new consensus with Beijing without accepting the KMT's formula. According to Frank Hsieh's 2012 proposal of 'constitutional one China', the ROC and PRC have their respective sovereignties and overlapping constitutional territory that extends to the other side.<sup>29</sup> Following the same idea, some DPP policy advisors proposed in 2014 a new resolution on the future of the ROC. The 'great one-China' framework proposed by some policy advisors to the DPP (Chen Ming-tong and Hong Chi-Chang, for example) also regards the ROC and the PRC as two countries co-existing in the world. Such proposed modifications will not be sufficient to develop a normal party-to-party relationship between the DPP and the CCP. Since only 34.7% of DPP supporters agreed that Taiwan should negotiate with the mainland continuously based on the '92 consensus' and 54.1% disagreed, it would demand great courage and creative thinking by the DPP leadership to accept the consensus.<sup>30</sup>

It is uncertain to what degree the pro-independent DPP could circumvent the Taiwan Independence Clause embedded in its party platform. Changing public opinion in Taiwan has sent a warning message to Beijing. In the survey conducted by the Center for Taiwan Studies at Shanghai Jiao Tong University in October 2014, interviewees were asked to make a choice among seven options: (1) instant independence; (2) maintain the status quo and gain independence later; (3) maintain the status quo and decide whether or not to move toward independence later; (4) maintain the status quo forever; (5) maintain the status quo and decide whether or not to move toward unification later; (6) maintain the status quo and unify later; (7) instant unification. The percentages were 19.1, 8.6, 19.4, 25.9, 8.2, 2.9 and 2.4, respectively. If the first three could be considered as a group that was more or less in favor of Taiwanese independence, the sum percentage would be 47.1. The sum of the last three, representing those who were more or less in favor of unification, was 13.5% only. Meanwhile, 13.5% of interviewees had no position on the issue of unification versus independence. For interviewees who were between the ages of 20 and 39, the inclination to independence and disinclination to unification were stronger than those in different age brackets (Figure 1). This may explain the motivation of Tsai Ing-wen when she claimed that the idea of Taiwan independence had become the natural nutrition of the DPP in the party's 17th assembly on 20 July 2014.<sup>31</sup>

If the DPP became a ruling party again without accepting the '92 consensus' or reaching a new consensus with the mainland, one could expect that the official and semi-official relations between the two sides would be impacted and that new agreements for economic and cultural exchanges between the ARATS and the SEF would be difficult to reach. In the words of Xi Jinping, should the foundation of '92 consensus' be damaged, cross-Strait relations would come back to the old orbit of chaos and

<sup>26</sup>Peng Weixue, 'Qianxi minjindang liangan zhengce tiaozheng de licheng, guilv yu qushi' ['On the process, regularity and trend of cross-Strait policy adjustment of the DPP'], *China Review* 17(196), (2014), p. 41.

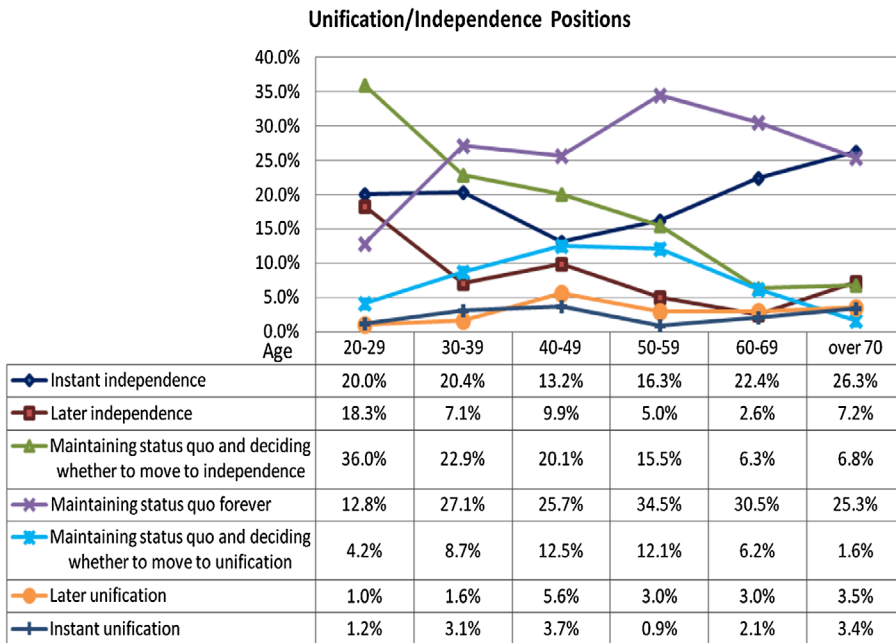
<sup>27</sup>Elizabeth Hague, 'China debates the way forward for cross-Strait relations', in Cal Clark, ed., *The Changing Dynamics of the Relations among China, Taiwan, and the United States* (Newcastle upon Tyne: Cambridge Scholars Publishing, 2011), p. 157.

<sup>28</sup>Zhou Lihua, 'Honglv jiaoliu dui liangan heping jiagou de yiyi', p. 37.

<sup>29</sup>Frank Hsieh, *Weilai: buyiyang de Taiwan [Future: A Different Taiwan]* (Taipei: New Culture Classroom, 2012), pp. 116–122.

<sup>30</sup>Database of Center for Taiwan Studies, Shanghai Jiao Tong University.

<sup>31</sup>Tsai Ing-wen's remarks at the 17th Congress of the Democratic Progressive Party, 20 July 2014.



**Figure 1.** Unification/independence positions among people with different ages.

Source: Database of Center for Taiwan Studies, Shanghai Jiao Tong University.

instability.<sup>32</sup> According to Zhang Nianchi, should the DPP come back to power while insisting on an 'anti-China' position, it would be a great disaster for cross-Strait relations.<sup>33</sup>

This does not mean that Beijing will necessarily employ military means against Taiwan. Reflecting a fundamental change in China's international standing, Beijing's grand strategy of 'peaceful development through reform and opening' has led to the mainland's interdependence with the outside world, especially with the Asia-Pacific region.<sup>34</sup> The mainland's growing national capacity has increased its leverage to use either hard or soft tactics, making hard tactics harder and soft tactics softer. Without political consensus between Beijing and the new leadership in post-Ma Taiwan, it is safe to predict that at least some small diplomatic allies of Taiwan will switch their diplomatic ties to the mainland. As mentioned above, Taiwan and the mainland have achieved a sort of 'diplomatic truce' since May 2008, evidenced by both sides' diplomatic allies remaining peculiarly stable and Taiwan's international space being quietly expanded. From the mainland perspective, the issue of Taiwan's international participation can be resolved only within the one-China framework. As long as Taipei does not attempt to change the status quo of cross-Strait relations in general and to increase its diplomatic allies in particular, Beijing does not need to cut off all of Taiwan's external ties during the transitory period prior to China's reunification. While the maintenance of 20 or so diplomatic allies has only symbolic meaning for Taiwan's foreign relations, the reduction of them would become a hot issue on the island torn by an acute confrontation between the two main parties. Should it happen, Taipei might react strongly against Beijing in one way or another, thus bringing previous tensions back to the Taiwan Strait.

<sup>32</sup>Xi Jinping's speech at meeting with Lien Chan, reported by *New Chinese News Agency*, 18 February 2014.

<sup>33</sup>Zhang Nianchi, 'Lun Xi Jinping de tongyi guan' ['On Xi Jinping's unification outlook'], *China Review* 17(203), (2014), p. 7.

<sup>34</sup>Jing Huang, 'Hu Jintao's pro-status quo approach in cross-Strait relations: building up an one-China framework for eventual reunification', in Clark, ed., *The Changing Dynamics of the Relations among China, Taiwan, and the United States*, p. 149.

Under this situation, Beijing will maintain its strategy of asymmetric engagements with the two main parties in Taiwan, preferring the KMT to the DPP. The main engines for cross-Strait relations, therefore, would be city-to-city and people-to-people exchanges, in addition to the present CCP–KMT platform. Given the fact that all DPP city mayors and county magistrates had already visited the mainland on a case-by-case basis prior to 2014, some people expect that new DPP mayors or magistrates to follow suit. Ironically, in spite of—or simply because of—the DPP’s landslide victory in the 2014 local executive elections, no DPP mayors or magistrates except for one have managed to visit the mainland since then. The case of Taipei City Mayor Ko Wen-je is very instructive. As a pro-Green mayor, Ko was not allowed by the mainland to visit Shanghai to participate in the annual Two-Cities Forum until he tacitly accepted the ‘92 consensus’. This suggests that DPP mayors and magistrates may have to follow the same format if they want to visit the mainland in the future. Meanwhile, city district and neighborhood, town and township, and social groups may become important units for exchange and cooperation. By doing so, the mainland government hopes that its beneficial measures of economic exchange with Taiwan can be equally felt by ordinary Taiwanese people, particularly the youths, not only the big businessmen. As TAO Director Zhang Zhijun remarked in June 2014, despite the new problem in cross-Strait relations, Beijing will not change the direction of peaceful development of cross-Strait relations, stop the pace of development or lose faith in the policy. The mainland is determined to do good things for Strait exchange and cooperation, and for the interests of people on the two sides. Beijing will comprehensively listen to the opinion of people on both sides, particularly those people at the grassroots of the island, and let more Taiwanese people gain the benefits of peaceful development.<sup>35</sup> While social distribution of wealth in Taiwan has aroused more attention on the mainland, political issues between the two sides of the Taiwan Strait may be put aside. Since Ma’s victory by an overwhelming majority in 2008 could not guarantee his promise of reaching a peace agreement with the mainland during his electoral campaign, it is more difficult to expect Taiwan’s new leadership to be willing to talk with Beijing politically.

If the DPP under the leadership of Tsai Ing-wen could really adopt a brand new approach to deal with the mainland, as Tsai claimed in her speech at Taiwan University during August 2014, Beijing might respond positively. In the speech, Tsai recognized that the factors of mainland and cross-Strait relations were most crucial to Taiwan’s development in the future, and used the term ‘Taiwan’s political autonomy’ to replace other concepts more provocative to Beijing, such as sovereignty and independence.<sup>36</sup> However, she also used ‘China’ and ‘the other side’ to refer to the mainland alternatively, making her goodwill, if any, more ambiguous. Given the DPP’s great victory in the 2014 local elections, obtaining eight mayoral seats out of nine, its main social foundations have quietly shifted from rural areas toward urban areas, with more supporters from middle and high social strata. This may induce the party to pay more attention to economic and urban developments, which are closely related to the factors of mainland and cross-Strait relations, as Tsai Ing-wen recognized. In a post-election meeting, Tsai asked the Green executives to set up a ‘group for cross-Strait relations’ in their cities or counties to regulate exchanges with the mainland, following the model created by Kaohsiung City Mayor Chen Chu. Another incentive for policy adjustment is the US factor. The DPP’s provocative strategies toward the mainland during the Chen Shui-bian administration period and thereafter have resulted in Washington’s suspicion of the party. In the wake of the 2014 elections, DPP Chairwoman Tsai Ing-wen is under greater US pressure to adjust the party’s mainland policy to one which is acceptable to both the mainland and the United States. During her American trips from the end of May to early June 2015, Tsai claimed that the DPP would develop cross-Strait relations based on the existing constitutional order (*xianxing xianzheng tizhi*) of the ROC, which suggests that the territory of the ROC includes the mainland. However, she refused to accept the ‘92 consensus’, even though she did not deny it either. Rather, she tried to replace, if not accommodate, the idea in an ambiguous expression—the cumulative products of cross-Strait negotiation, exchange and interaction over the past 20 years or so. According to a report in *Time*, ‘Tsai

<sup>35</sup>Zhang Zhijun, ‘Opening remarks at the Sixth Strait Forum, June 15, 2014,’ *Shanghai Taiwan Work*, (July 2014), p. 6.

<sup>36</sup>Tsai Ing-wen, ‘Taiwan’s future,’ speech at National Taiwan University, 12 August 2014, available at: <http://www.crrnt.com/crn-webapp/search/allDetail.jsp?id=103334386&sw=台湾的未来> (accessed 15 August 2014).

says she would maintain the status quo across the Strait with China—essentially both Taipei and Beijing agreeing to disagree as to which represents the one, true China, leaving the questions of the island's fate to the future. Even so, the DPP cannot commit to the idea that both sides belong to one China as much as the KMT does. Tsai's priority is to 'lessen the island's dependence on the mainland by building global ties and championing local brands.'<sup>37</sup> Moreover, by using China—rather than the mainland—to refer to the other side of the Taiwan Strait, Tsai has tacitly challenged the one-China principle that regards the mainland and Taiwan as part of that country. Thus, Beijing has felt unsatisfied with Tsai's performance in her trips to the United States.

Only if the DPP really accepts the spirit of the '92 consensus' (non-state-to-state relationship with the mainland) without challenging the one-China framework, ending the use of 'China' to refer to the mainland, can DPP mayors and magistrates formally visit the mainland for city-to-city exchanges. Following the same principle, Green think-tanks may also expand academic exchange with their counterparts in the mainland. In fact, two of the co-sponsors of the above-mentioned Peace Forum, the Taiwan Brain Trust and the Institute for National Policy Research, both have a Green (DPP) background. Even though the DPP has not officially endorsed this forum, neither has it opposed political dialogue in such a way. Whether this kind of interaction can be continued in the future is dependent on the degree of policy adjustment on the part of the DPP.

#### IV. Conclusion

This article argues that the mainland government will make great efforts to maintain the momentum of peaceful development of cross-Strait relations, aiming at achieve its strategic goal of national unification by various means, including the threat of using force. Beijing's Taiwan policymakers, informed by neo-functionalism derived from European integration experiences, have attempted to resolve easier economic issues first, and more difficult political issues later, assuming that economic integration will eventually lead to political accommodation and even political integration. Peaceful development of cross-Strait relations, therefore, is considered as the only way to prepare political, economic, cultural and social foundations for peaceful unification in the future. While Beijing has made visible progress in economic and cultural exchanges with Taiwan based on the '92 consensus' over the past years, less visible achievements were also made in political spheres, including the *de facto* 'diplomatic truce', official meetings between TAO and MAC, and a sort of track-two dialogue on the nature of current cross-Strait political relations among Red, Blue and Green think-tanks and scholars. Conceptually, Beijing's strategic thinking falls into Richard Bush's 'paradigm of mutual persuasion', wherein the two sides seek mutually beneficial outcomes by engaging in some degree of reciprocal accommodation. Bush reminds us, however, that cross-Strait interaction could occur in the 'paradigm of power asymmetry', if Beijing loses patience with the unproductive negotiation process and exerts intimidation instead.<sup>38</sup>

Indeed, recent cross-Strait interaction is occurring as the mainland's power is rapidly growing and Taiwan is economically more dependent on the mainland rather than the other way around. Politically, Beijing has made greater efforts between 2012 and 2014 to push for peace talks with Taipei and reiterate the present unification formula of 'one country, two systems' with some new flexibilities. While the asymmetric mutual interdependence has obviously enhanced the mainland's bargaining chip to urge Taiwan to accept Beijing's political agenda, it has also triggered political reactions on the island. Increasing people-to-people exchanges have been mixed with the growing Taiwanese identity and tendency for Taiwanese independence, as the Sunflower Movement and the outcome of the 2014 elections have indicated. This has demonstrated the structural problems in cross-Strait relations, which neutralized the spillover effectiveness from economic and cultural areas into the political sphere, as functionalism assumes. To adapt to a brand new Taiwan that seems an oddity to the mainland, Beijing has deliberated over 'the new normal' (*xinchangtai*) with a slower pace, refocusing on the economic

<sup>37</sup>Emily Rauhala, 'The next president of Taiwan', *Time* (Asian edn), (29 June 2015), p. 3.

<sup>38</sup>Bush, *Uncharted Strait*, p. 143.

and cultural issues. After all, cultural similarities, economic exchanges, social integration, in addition to historical memory, are helpful to consolidate the ideational framework of 'a community for two-shores' shared destiny'.

The development of cross-Strait relations over the past seven years has been contributed to by the common efforts of the CCP and the KMT, with the DPP playing a marginal or negative role. The outburst of the Sunflower Movement and the triumph of the opposition DPP in the November 2014 elections have challenged the sustainability of this unbalanced developmental approach. Whether or to what degree Beijing will change its asymmetric engagements with the two main parties on the island, however, is contingent upon whether the KMT and the DPP can reach a balance of power domestically *and* whether their policies toward the mainland converge rather than diverge. While the post-Ma KMT is likely to maintain the one-China framework, it is uncertain whether the DPP under the leadership of Tsai Ing-wen can reach a new agreement like the '92 consensus' with Beijing. As most DPP members insist that the ROC's territory and sovereignty include Taiwan only, maintaining the mindset of a state-to-state relationship with the mainland, it would demand great courage and creativity from Tsai Ing-wen to transform the party's mainland policy. Should the DPP come back to power without changing its mainland policy, the official and semi-official relations between the two sides would stop and new agreements between ARATS and SEF would be difficult to reach. Taiwan would not be able to maintain its limited 'international space' without the one-China framework. If Taipei reacted strongly by pursuing *de jure* independence, Beijing would take even harder countermeasures against the DPP, while maintaining people-to-people exchanges with the island and pinning its hope on the next power turnover in Taiwan.

### Notes on contributor

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