

# CROSS-STRAIT RELATIONS AFTER TAIWAN'S 2004 PRESIDENTIAL ELECTION

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## **I. Introduction**

Four years ago, after the 2000 presidential election, many experts on cross-Strait relations said that a crisis was emerging or even imminent in the Taiwan Strait. Nevertheless, over the past four years, relations between Taiwan and China were relatively stable, although deadlocked without bilateral dialogue. These experts did not appreciate enough the change of Democratic Progressive Party (DPP)'s policy toward China after May 1999 as well as the essence of China's Taiwan policy.

Instead of speculation, my presentation provides a framework to objectively analyze both prospects of Taiwan's China policy and prospects of China's Taiwan policy, and thus conclude with assessment of cross-Strait relations after Taiwan's 2004 presidential election. With respect to Taiwan's China policy, my presentation elaborates major principles of DPP policy toward China over the last four years, and

President Chen's statements on cross-Strait relations during and after the 2004 election. As to China's Taiwan policy, my presentation analyzes the essence of China's Taiwan policy prior to the 2004 election, China's reaction to the 2004 election, and prospects of China's Taiwan policy after the election.

## **II. Prospects of Taiwan's China Policy**

### **A. The DPP Principle: Democracy, Peace, and Prosperity**

Ever since May 2000, Taiwan's China policy of the Democratic Progressive Party (DPP) administration could be characterized by three pillars, which can be also abbreviated as the DPP principle: democracy, peace, and prosperity.

The first pillar is democracy. In the DPP resolution regarding Taiwan's future adopted in May 1999, the status quo of an independent sovereign Taiwan can only be changed through a democratic process with the Taiwanese explicit consent.

The second pillar is peace. Upon taking office on May 20, 2000, President Chen has consistently reiterated the position: in accordance with the principles of "goodwill reconciliation, active cooperation, and permanent peace," both sides across the Taiwan Strait must mutually promote constructive development in cross-Strait relations. It was based on these premises of reconciliation, cooperation, and peace that President Chen proposed to the Chinese leaders in his inaugural speech: let us jointly deal with the question of a future "one China."

In addition, President Chen pledged that during his term in office, as long as China does not hold the intention of using military force against Taiwan: he would not declare independence, he would not change the national title, he would not push forth the inclusion of the so-called "state-to-state" description in the Constitution, and he would not promote a referendum to change the status quo in regard to the question of independence or unification. Furthermore, he added, there was no question of

abolishing the Guidelines for National Unification and the National Unification Council. These pledges are what has since come to be known as the so-called “four noes, one have-not” or “five noes.”

Moreover, on December 31, 2000, President Chen pronounced that the integration of bilateral economies, trade, and culture across the Taiwan Strait should be a starting point for gradually building faith and confidence in each other. This, he suggested, could be the basis for a new framework of permanent peace and political integration.

Finally, on January 1, 2003, President Chen urged both sides across the Taiwan Strait to strive towards building a framework of interaction for peace and stability and to make this a primary goal at this stage of cross-Strait development. He stressed consultation and promotion of direct transportation links, as well as exchanges on other relevant economic issues, could constitute a first step forward and set the stage for further economic and cultural interaction.

The third pillar is prosperity. Since May 2000, to better balance the needs of economic development and national security concerns, the Chen Shui-bian administration has discarded the long held “no haste, be patient” policy and adopted a new policy of “active openness and effective management.” Thereafter, Taiwan has gradually but surely come to relax its regulation on both cross-Strait trade and investment.

In his inaugural speech on May 20, 2004, President Chen emphasized the following points with respect to cross-Strait relations:

1. Issues related to national sovereignty, territory and the subject of unification/independence should be excluded from the present constitutional re-engineering project. Procedurally, we shall follow the rules set out in the existing Constitution and its amendments. (peace

principle)

2. Taiwan is a completely free and democratic society. Neither single individual nor political party can make the ultimate choice for the people. (democracy principle)
3. If both sides are willing, on the basis of goodwill, to create an environment engendered upon “peaceful development and freedom of choice,” then in the future, the Republic of China and the People’s Republic of China – or Taiwan and China – can seek to establish relations in any form whatsoever. We would not exclude any possibility, so long as there is the consent of the 23 million people of Taiwan. (peace and democracy principle)

Based on the DPP principle, President Chen has reiterated his firm position on maintaining the status quo. Even though Taipei, Washington, and Beijing have different definition of the status quo across the Taiwan Strait, President Chen pledged not to change the status quo per se by means of changing its national name, national flag, and constitutional territory in order to maintain stability of trilateral relations among Taiwan, the United States, and China.

## **B. Constructing a Framework of Interaction for Peace and Stability**

Based on the DPP principle, the most important mission for President Chen in his second term would be constructing a framework of interaction for peace and stability, which consists of the ‘One Principle and the Four Major Issue Areas.’

The “One Principle” is to establish the principle of peace, President Chen emphasized that both sides should not make unilateral change to the status quo in the Taiwan Strait area.

The “Four Issue Areas,” meanwhile, are: the establishment of a negotiation

mechanism; exchanges based on equality and reciprocity; the establishment of a political relationship; and the prevention of military conflicts.

President Chen advocated both sides should have representatives stationed in Taipei and Beijing to facilitate negotiations.

He suggested that expansion of cross-Strait exchanges and cooperation should include economic issues (direct transportation links, tourism, trade and economic cooperation), and cultural, as well as technology exchanges.

He pointed out that the political relations across the Taiwan Strait should be based on mutual recognition of jurisdiction (not sovereignty) and non-interference of each other's diplomatic affairs.

Finally, he emphasized that Taiwan and China should prevent military conflicts through confidence-building measures.

### **C. Commencing Direct Links Negotiation**

In particular, direct links negotiation will be a starting point for both sides across the Taiwan Strait to engage in the near future. Since the second half of 2003, Taiwan has indicated increased commitment to the negotiation of the direct transportation links. On August 13, President Chen pledged to resume direct links with China by the end of 2004.

On October 9, Taiwan's parliament passed the revisions to the Statute Governing the Relations between the People of the Taiwan Area and the Mainland Area. According to the revisions, the Taiwanese government will have to draft bylaws concerning the opening of direct cross-Strait transportation links within 18 months. More importantly, government agencies will be able to entrust private organizations to engage in cross-Strait negotiation on their behalf. That is, Taiwan has agreed to China's preferences for the negotiation channel through private organizations over the

direct transportation links.

### **III. Prospects of China's Taiwan Policy**

#### **A. China's Taiwan Policy prior to the 2004 Election: One Center and Two Pillars**

Prior to the 2000 presidential election in Taiwan, Beijing had hinted several times that if Chen Shui-bian were elected, Beijing might use military force against Taiwan. However, after the 2000 election, China began to implement a series of comparatively lenient policies towards Taiwan.

First, after July 2000, China has been seen to take up a more lax definition of the one-China principle.

Second, after August 2000, Beijing ceased insisting that the one-China principle be a prerequisite for negotiation of the "three direct links" (direct trade, postal, and transportation links).

Third, Beijing began to accept the so-called 1992 consensus, which it objected before 2000, and asserted this consensus as the foundation of resumption of cross-Strait dialogue.

Fourth, after October 2002, Beijing began to define cross-Strait air and sea links as "cross-Strait routes."

Why did China adjust its tactics towards Taiwan? China's Taiwan policy is focused primarily around "economic development" (one center), with the hope that the Taiwan issue does not delay or undermine the progress of China's economic development. That is, stability of cross-Strait relations is one of major goals of China's Taiwan policy. In addition to this, China's Taiwan policy is essentially founded upon two pillars: "utilizing the United States to suppress Taiwan" and "appealing to the Taiwanese public." In particular, over the past two years, Beijing

was increasingly relying on Washington to suppress Taipei.

Although President Chen was re-elected, from the Chinese perspective (self-justification), China's policy toward Taiwan was still successful in terms of US non-support to Taiwan independence and the referendum, regarding Taiwan's election as a local election, and the invalidity of the referendum on March 20. As then Chinese Vice-President Hu Jintao emphasized in March 2003, "The international community generally upholds the basic stand of recognizing one China, and the basic pattern and development trend of cross-Strait relations has not changed." That is, China has no urgency or rationale to resort to military action against Taiwan in the near future.

## **B. Prospects of China's Taiwan policy**

Currently, China faced a stronger dilemma on the cross-Strait relations after President Chen won the second term. On the one hand, China would like to avoid possible military conflicts in the Taiwan Strait for maintaining domestic economic development and social stability as well as facing possible intervention of the United States.

On the other hand, the Chen Shui-bian administration might continue to provoke China and thus the Chinese government faces enormous public pressures to do something on the cross-Strait relations.

With this dilemma, China will adopt a strategy of reinforcing both hands, i.e., a hard hand will become harder and a soft hand will become softer. On the one hand, China will show more clearly its resolution and credibility to deter Taiwan from declaring de jure independence.

On the other hand, China would adopt more measures to show its goodwill to the Taiwanese people, including reflecting the fact of growing Taiwan self-consciousness.

In the short term, because of lack of mutual trust, China would not engage with

Taiwan in terms of political dialogues. Nevertheless, China would not consider resorting to military means on the cross-Strait relations as long as Taiwan would not declare independence, or change its national name, flag, and redefine its territory in the constitutional reforms.

Beijing will adopt a “wait and see” approach for the first couple months after the inauguration of President Chen’s second term to observe the credibility and consistency of his China policy.

After 2005, China might adopt a more positive approach to engage with Taiwan if cross-Strait relations do not further deteriorate in the second half of 2004. At least, China would accept negotiation with Taiwan over the direct links and other economic issues without political preconditions.

#### **IV. Conclusion**

Overall, in spite of the uncertainties, there is sufficient reason to be optimistic about cross-Strait relations after the 2004 presidential election. Perhaps the strongest likelihood is that cross-Strait relations sees a sustained peace and stability, while continuing to be deadlocked in terms of political reconciliation over sovereignty in the next couple years. Hopefully, in the near future, the measures taken by the both sides across the Taiwan Strait since 2000 should help break the prolonged impasse in the cross-Strait negotiation of the direct links and other economic issues.