

The Assessment of China's Taiwan Policy of  
the Third Generation and Its Prospect

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## Abstract

This paper assesses China's Taiwan Policy of the third generation and elaborates its prospect over next few years. The main theme of China's Taiwan policy of the third generation centered on "economic development," with a hope that the Taiwan issue should not delay or undermine the progress of China's economic development. At the same time, China had two basic pillars on its Taiwan policy: "stabilizing Sino-US relations" and "appealing to the Taiwanese public."

In the short run, the stalemate of cross-Strait relations will continue; "the possibility of Taiwan's plebiscite (declaring Taiwan independence)" and "China's military threats to deter Taiwan independence (plebiscite)" are two forces to sustain the tensions across the Taiwan Strait. Nevertheless, the "three links" issue will be the focus of bilateral interaction in the short term and could be the catalyst and mechanism to improve cross-Strait relations.

~~Paper to be presented at the 16<sup>th</sup> Annual Conference of Association of Chinese Political Studies, April 4-5, 2003, Knoxville, Tennessee.~~

## I. Introduction

The Chinese Communist Party (CCP) held its 16th National Party Congress (hereafter the 16th Party Congress) on November 8, 2002. Subsequently, the Chinese government held its 10th National People's Congress (hereafter the 10th People's Congress) on March 5, 2003. These two congresses marked the debut of the fourth generation of Chinese leaders led by Hu Jintao - appointed CCP secretary general in November 2002 and Chinese state president in March 2003. Except Hu Jintao, all members of the CCP Politburo standing committee retired and were replaced by other eight Chinese leaders of the fourth generation. Nevertheless, Hu's predecessor Jiang Zemin still retains the chairmanship of the Party and State Central Military Commission.

With the background of partial (unfinished) power transition between generations of Chinese leaders, what is the legacy of the third generation of Chinese leaders regarding its Taiwan policy? Furthermore, will this partial power transition impact China's Taiwan policy in the near future? That is, will the fourth generation

of Chinese leaders adopt a different approach in dealing with cross-Strait relations from the third generation?

This paper assesses China's Taiwan Policy of the third generation and elaborates its prospect over next few years in the following manner. First, this article discusses the background and evolution of China's Taiwan policy after Chen Shui-bian was elected the Taiwanese president in March 2000 and before the 16th Party Congress in November 2002. Second, this paper elaborates on the meaning of Jiang Zemin's political report regarding Taiwan in the 16th Party Congress. Third, this article discusses Chinese thoughts on its Taiwan policy in the background of the 16th Party Congress and the 10th People's Congress. Finally, this paper offers overall assessment and prospect of China's Taiwan policy.

## II. China's Taiwan Policy prior to the 16th Party Congress

On March 18, 2000, Chen Shui-bian of the Democratic Progressive Party (DPP) was elected the president of the Republic of China (ROC). Prior to the presidential election in Taiwan, Beijing hinted several times that if Chen Shui-bian were elected,

Beijing might use the military force against Taiwan.<sup>1</sup> After the election, however, Beijing did not adopt a harsh response, but instead followed a low-key “listen to what he says, and watch what he does” approach towards the new Taiwanese President. Chinese President Jiang Zemin, Premier Zhu Rongji, and Vice Premier Qian Qichen all openly expressed a stance that China could not afford to use the military force against Taiwan and thereby jeopardize China’s economic development.<sup>2</sup> Furthermore, from March 18, 2000 until July 24, 2002, Beijing never directly criticized Chen Shui-bian by his name in its official media.<sup>3</sup>

In contrast, Beijing began to adopt a series of comparatively lenient policies toward Taiwan. First, China adopted a more lax definition of the “one-China

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<sup>1</sup> Ming-yi Wang, “Mainland Taiwan Affairs Office of the State Council: White Paper Is Not An Ultimatum,” *Zhongguo Shibao* [China Times], February 26, 2000, p. 3. “AFP: PRC FM Spokesman Warns Taiwan on Election Result,” Hong Kong AFP, March 14, 2000, in FBIS-CHI-2000-0314. Jing-xiang Lai, “Without ‘Two-State Theory’, There Would Be No White Paper,” *Lienho Bao* [United Daily], March 16, 2000, p. 3.

<sup>2</sup> “Jiang Zemin Proposes 16 Words of Taiwan Policy Guidelines,” *Jingji Ribao* [Economic Daily], April 6, 2000, p. 11. Shang-li Xu, “Qian Qichen: Three Links As Soon As Possible; Yeh Ju-lan: Need Equality and Reciprocity,” *Zhongguo Shibao*, May 27, 2000, p. 1.

<sup>3</sup> On July 25, 2002, Xinhua News Agency criticized Chen Shui-bian by his name for the first time. It criticized Chen of saying that “Taiwan wants to take its own way” when taking over the chairmanship of the Democratic Progressive Party. Cuo-zhong Wang, “Xinhua News Agency Criticizes President Chen by His Name for the First Time,” *Zhongguo Shibao*, July 26, 2002, p. 11.

principle.” In “Jiang Zemin’s Eight-Point Proposal” delivered in January 1995, “one China” meant that “There is only one China in the world, Taiwan is an inalienable part of China, China’s sovereignty and territorial integrity can not be separated.” Nevertheless, Jiang’s Eight-Point Proposal emphasized that this would not and should not harm the status of the government of the People’s Republic of China (PRC) representing the sole legitimate government of China in the world. In the February 2000 White Paper on the One China Principle and Taiwan Issue, Beijing continued to use the same definition of “one China” as that found in Jiang’s Eight-Point Proposal.

After Chen Shui-bian was inaugurated on May 20, 2000, Beijing revised the “one-China principle” as follows: There is only one China in the world, state sovereignty and territorial integrity cannot be separated. In international occasions, “one China” refers to the PRC government as the sole legitimate government. Nevertheless, in dealing with the cross-Strait relations, “one China” does not refer to the PRC, Taiwan and Mainland are both parts of China. This was very similar to Taipei’s definition in its National Unification Guidelines adopted by the former Kuomintang government in 1991. Up until this 2000 statement, Beijing had not accepted this wording. After Chen Shui-bian assumed office, China accepted this new definition instead. While meeting Taiwanese visitors in mid-July 2000, the new

definition was confirmed by Qian Qichen. Thereafter, Qian has constantly adopted this new definition in explaining China's Taiwan policy.<sup>4</sup>

On September 11, 2000, during a media interview, Qian Qichen explained more clearly the new definition of "One China": "There is only one China in the world, both Mainland and Taiwan belong to one China, the sovereignty and territory of China cannot be split."<sup>5</sup> In the Government Work Report of March 2002, Zhu Rongji reaffirmed Qian Qichen's new definition of "one China."<sup>6</sup> In September 2002, at the United Nations General Assembly, Chinese Foreign Minister Tang Jiaxuan adopted the new definition of "one China" in the international realm for the first time by emphasizing that "both Mainland and Taiwan belong to one China."<sup>7</sup>

Secondly, Beijing no longer insists that the "one-China principle" is a

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<sup>4</sup> Meng-ru Xie, "Qian Qichen: Both Sides Are Equal Both Belong to China," *Zhongguo Shibao*, July 19, 2000, p. 4. "Qian Qichen: Mainland and Taiwan Belong to One China," *Zhongguo Shibao*, August 26, 2000, p. 4.

<sup>5</sup> "Qian Qichen: Mainland and Taiwan Belong to One China, Inclusiveness Is Very Large," *Zhongguo Shibao*, September 11, 2000.

<sup>6</sup> Cuo-zhong Wang, "Delivering the Government Work Report Today, Zhu Rongji Reiterates the New Three Segments of One China," *Zhongguo Shibao*, March 5, 2002.

<sup>7</sup> Jun-wei Lian, "Addressing the United Nations General Assembly, Tang Jiaxuan Mentions the New Three Segments of one China," *Gongshang Shibao* [Commerce Times], September 15, 2002.

prerequisite for negotiation of the “three direct links” (direct trade, postal, and transportation links between Taiwan and China). Before August 2000, China required Taiwan accept the one-China principle before the two sides could discuss the “three direct links.” After August 2000, Qian Qichen began to emphasize that realizing the “three direct links” did not mean the two sides needed to resolve every political issue first. He said, so long as the “three direct links” were regarded as the internal affairs of one country, this issue could be solved easily through private-to-private, industry-to-industry, and company-to-company channels without referring to one country or two countries. He added, there could be no flag on the ships of both sides.

In July 2002, Qian Qichen further explained, the “three direct links” could be implemented as soon as possible without referring to the political meaning of the “one-China principle,” so long as they were considered the internal affairs of one country. He added, so long as Taiwan’s relevant private organizations were authorized, the negotiation over the “three direct links” could be conducted. He emphasized that both sides could not avoid political disagreement, “but that is the matters on the negotiation table; cross-Strait negotiation and the “three direct links”



are not the matters of a category.”<sup>8</sup> In this way Beijing de-politicized the issue of the “three direct links,” and the “one-China principle” was no longer the prerequisite for the negotiation of the “three direct links.”

Nevertheless, Qian Qichen’s proposal was soon refused by Chen Shui-bian. Chen argued that “internal affairs of one country” was the same definition of “one China,” that localized and marginalized Taiwan. As a result, Qian Qichen put forward again a new statement in October 2002, defining cross-Strait air and sea links as “cross-Strait routes.” At the same time, Qian said that China would de-link the negotiation of the “three direct links” from Taiwan’s presidential election without considering whether the “three direct links” would help Chen Shui-bian’s re-election.<sup>9</sup>

According to Chinese scholars, after the DPP became the ruling party, the evolution of China’s Taiwan policy could be divided into three stages. The first stage started when Chen Shui-bian assumed office and China adopted a policy called “listen to what he says, and watch what he does.” The second stage began after

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<sup>8</sup> Jia-wei Luo, De-huei Zhou, Pei-fen Chiou, “Qian Qichen: Talks on the Three Direct Links, No Involving One China,” *Lienho Bao*, July 6, 2002, p. 1.

<sup>9</sup> The interview group of the *Lienho Bao*, “Qian Qichen: Promoting the Three Direct Links Has Nothing To Do with the Next Presidential Election,” *Lienho Bao*, October 17, 2002, p. 4.

Chen Shui-bian publicly showed his support for the first time to annotate “Taiwan” on the ROC passport on January 13, 2002, and China characterized him as a supporter of progressive Taiwan independence. The third stage started after Chen Shui-bian’s “one-country-on-each-side theory”<sup>10</sup> was issued on August 3, 2002. China portrayed him as a stubborn supporter of Taiwan independence.<sup>11</sup> At the end of September, Zhou Mingwei, deputy director of the Taiwan Affairs Office of China’s State Council, said that the period of Beijing’s “listen to what he says, and watch what he does” policy had ended and Beijing had no more illusion about Chen Shui-bian.<sup>12</sup>

In fact, Beijing is highly mistrustful of Chen Shui-bian. Beijing argues that Chen Shui-bian’s policy has fluctuated widely, and asserts that his aim is still Taiwan independence, and all other policies have simply been election tricks and a smoke screen for Taiwan independence. In addition, Beijing argues that the goodwill of Chen Shui-bian’s policy was frequently contradicted by his later policy.

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<sup>10</sup> In his remarks to the 29th Annual Meeting of the World Federation of Taiwanese Associations, President Chen Shui-bian said, “Taiwan and China standing on opposite sides of the Strait, there is one country on each side.”

<sup>11</sup> A senior scholar of Taiwan studies in Beijing, interview with author, November 2002.

<sup>12</sup> Zhang-rong Kang, “Deputy Director of the Taiwan Affairs Office of the State Council Zhou Mingwei: The CCP Ends the Period of Observation for Chen Shui-bian, No More Illusion on Him,” *Gongshang Shibao*, October 1, 2002.

Consequently, due to Beijing's extreme distrust, they did not dare respond properly or promptly to Chen Shui-bian's initiatives.

For example, Chen Shui-bian proposed the "integration theory" in his cross-century remarks on December 31, 2000, which proposes political integration through economic and cultural integration.<sup>13</sup> However, on March 19, 2001, Chen told the leaders of the World Taiwanese Congress that the term "integration" mainly refers to a process for cross-Strait rapprochement and would not necessarily lead to unification.<sup>14</sup> This resulted in Beijing's reservations about the goodwill of Chen Shui-bian's policy. It was a similar situation when Chen Shui-bian delivered the "Tatan Talk" on May 10, 2002, in which he reiterated the "integration theory," and endorsed the "three direct links" and party-to-party contacts between the DPP and the CCP.<sup>15</sup>

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<sup>13</sup> In his cross-century remarks, President Chen Shui-bian said, "The integration of our economies, trade, and culture can be a starting point for gradually building faith and confidence in each other. This, in turn, can be the basis for a new framework of permanent peace and political integration [of both sides across Strait]."

<sup>14</sup> Rue-chang Zhang, Bo-cheng Lin, "President Chen: Taking an Oath in front of the National Flag Must Consider the Feeling of the 230 Million People," *Zhongguo Shibao*, March 20, 2001.

<sup>15</sup> Two senior persons involved with Taiwan in Beijing, interview with author, November 2002.  
Three senior scholars of international relations in Beijing, interview with author, November 2002.  
A senior scholar of Taiwan studies in Shanghai, interview with author, November 2002. A senior

### III. Analyzing the Report to the 16th Party Congress Regarding Taiwan

In Jiang Zemin's report to the 16th Party Congress, China's Taiwan policy contained five no-changes:<sup>16</sup>

- (1) No change on the fundamental principle of "peaceful unification; one country, two systems;"
- (2) No change on the "one-China principle" and no change on opposition to Taiwan independence;
- (3) No change on the position of bilateral negotiation and talks on the basis of the "one-China principle;"
- (4) No change on the position that China would not interfere with bilateral economic and non-governmental exchanges (including the three direct links) with politics;
- (5) No change on the guideline to place hopes on the Taiwanese people.

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person involved with Taiwan in Shanghai, interview with author, November 2002. Three senior scholars of international relations in Shanghai, interview with author, November 2002.

<sup>16</sup> A senior person involved with Taiwan in Beijing, interview with author, November 2002.

In Jiang Zemin's report, there were basically five types of new ideas on China's Taiwan policy: First, China formally included the new definition of "one China" in the political report of the 16th Party Congress. Jiang Zemin pointed out clearly in his report, "There is only one China in the world. Both the Mainland and Taiwan belong to China. China's sovereignty and territorial integrity brook no division."

However, thus far, China has merely paid lip service to Taiwan without taking concrete measures to demonstrate its goodwill concerning cross-Strait relations or Chinese and Taiwanese respective positions in the international community. In practice, China still emphasizes only one China, and the most important thing is that there can only be one representative of a sovereign state in the world.<sup>17</sup> That is, there is no international space for Taiwan because the majority of countries and international organizations recognize the PRC government as the sole legitimate representative of China.

Second, Beijing proposed "on the basis of the one-China principle, let us shelve for now certain political disputes and resume cross-Strait dialogue and negotiations as soon as possible." Nevertheless, regarding so-called "shelving for now certain

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<sup>17</sup> A senior scholar of Taiwan studies in Shanghai, interview with author, November 2002. A senior person involved with Taiwan in Beijing, interview with author, March 2003.

political disputes,” China had no new initiatives. In its report, China continued to affirm that Taiwan must accept the “1992 consensus” and the “one-China principle,” without discussing the meaning of “one China” in advance.<sup>18</sup>

Third, China proposed: “under the prerequisite of one China, all issues can be discussed. We can discuss the issue of officially ending cross-strait hostility, we can discuss the issue of the Taiwan area’s economic, cultural, and social activities that are compatible with its status in the international arena, and we can also discuss the issue of the Taiwan authorities’ political status.” (Hereafter abbreviated as “three can-discusses”) This proposition can date back to the 14th Party Congress of October 1992. At that time, China proposed “under the prerequisite of one China, all issues can be discussed.” Commemorating Jiang’s Eight-Point Proposal in the end of January 2000, Qian Qichen proposed the “five can-discusses.” He emphasized that both sides across the Strait could discuss “the issue of officially ending cross-Strait hostility; the ‘three direct links’ long awaited by compatriots on both sides; economic relations after the WTO entry of the two sides; the international space for economic, cultural, and social activities of Taiwan that suits it; and the

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<sup>18</sup> A senior scholar of Taiwan studies in Shanghai, interview with author, November 2002. A senior scholar of international relations in Shanghai, interview with author, November 2002.

political status of the Taiwan authorities.”<sup>19</sup> Two years after Chen Shui-bian’s election as president, China returned to its pre-2000 policy line.

Though Beijing was returning to its past initiative, there were different policy meanings in the background of the 16th Party Congress. Regarding Taiwan’s international space, Chinese scholars have generally asserted that so long as Taiwan accepts the “one-China principle” and the “1992 consensus,” the discussion could be quite broad.<sup>20</sup> Chinese senior persons involved with Taiwan explained, “As long as the statehood is not required for the accession of that international organization, China will not object to Taiwan’s joining. The key is that Taiwan must have a clear status as part of China. For example, Taiwan can participate in the Olympic Games, the Asian Games, the APEC, and the World Trade Organization under the name of Chinese Taipei. There are more organizations for Taiwan to participate in.”<sup>21</sup> Nevertheless, Taiwan is already members of the above organizations, and China does not offer prospects to join other organizations.

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<sup>19</sup> Jian-ling Zhu, “Qian Qichen: Both Sides Can Discuss Taiwan’s Political Status,” *Zhongguo Shibao*, January 29, 2000.

<sup>20</sup> A senior scholar of international relations in Beijing, interview with author, November 2002. A senior scholar of Taiwan studies in Shanghai, interview with author, November 2002. Two senior scholars of international relations in Shanghai, interview with author, November 2002.

<sup>21</sup> A senior person involved with Taiwan in Beijing, interview with author, November 2002.

As for those international organizations with statehood required, according to the author's interviews, China will not object that, under the prerequisite of one China, the two sides can discuss and exchange views on this topic, figuring out a way that both sides can accept.<sup>22</sup> However, a senior person involved with Taiwan clearly ruled out the possibility for Taiwan to join the World Health Organization, even as an observer.<sup>23</sup>

Regarding "the Taiwan authorities' political status," despite not recognizing the ROC, Beijing realized that it must pragmatically face and appropriately deal with the reality of the existence of the ROC. That is, under the prerequisite of one China, the so-called "can discuss the issue of Taiwan authorities' political status" was to "discuss the issue of the ROC."<sup>24</sup> Nevertheless, on the eve of the 16th Party Congress, the Taiwan Affairs Office of the Chinese State Council issued one policy brochure called "the Taiwan Issue ABC," in which it clearly pointed out that the legal authority of the ROC ended in 1949, and therefore, the Taiwan government was only a local authority

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<sup>22</sup> A senior person involved with Taiwan in Beijing, interview with author, November 2002.

<sup>23</sup> A senior person involved with Taiwan in Beijing, interview with author, March 2003.

<sup>24</sup> A senior person involved with Taiwan in Beijing, interview with author, November 2002. A senior scholar of Taiwan studies in Shanghai, interview with author, November 2002.



on the territory of China.<sup>25</sup> Obviously, China might not have internal consensus yet on this point, or is simply playing a propaganda trick on Taiwan and the United States.

Fourth, in the political report, the phrasing “placing hope on the Taiwanese people” was included but “placing hope on the Taiwan authorities” was absent, because Beijing asserts Chen Shui-bian is an obstinate supporter of Taiwan independence. The measures of “placing hope on the Taiwanese people” referred to promoting cross-Strait multi-aspect and multi-level exchanges, including the “three direct links” and exchanges at the local level. With the exception of this, Beijing has no other more positive policy ideas.<sup>26</sup>

Fifth, though China had already put forward that “the Taiwan issue cannot be delayed indefinitely” many times in the past, this is the first time it has been stated in an official Party report. Such a statement allows people to speculate whether China has a “time table of unification.”

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<sup>25</sup> Ming-yi Wang, “The Taiwan Affairs Office’s New Policy Brochure: The Legal Authorities of the Republic of China Has Already Ended in 1949,” *Zhongguo Shibao*, November 8, 2002, p. 2.

<sup>26</sup> Two senior persons involved with Taiwan in Beijing, interview with author, November 2002. A senior scholar of Taiwan studies in Beijing, interview with author, November of 2002.

There are two occasions that hint at the “time table of unification” by the third generation of leaders: First, in October 1999 when interviewed by British media, Jiang Zemin stated: “The goal of China’s modernization drive is to basically achieve modernization by the middle of the next century ..... ultimately resolve the Taiwan issue and accomplish the great cause of China’s reunification.”<sup>27</sup> As to foreign concerns whether China would solve the Taiwan issue before the middle of the 21st century, Beijing quickly denied that Jiang proposed a time table of unification.<sup>28</sup>

The second occasion is documented in the second White Paper on Taiwan of February 2000 where the PRC put forward three principles of using force against Taiwan. Among them, the third principle was that China might use force against Taiwan “if the Taiwan authorities indefinitely reject peacefully resolving the issue of cross-strait reunification through negotiations” (the “third if”).<sup>29</sup> Accordingly, Taiwan speculated that China would coerce Taiwan to negotiate with China over unification as soon as possible. But this speculation was never verified by the

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<sup>27</sup> Dong-hai Xu, “Beijing Unveils The Chinese Version of the Interviews of Jiang Zemin by the Times,” *Lienho Bao*, October 20, 1999, p. 13.

<sup>28</sup> “China’s Ministry of Foreign Affairs: The World Misunderstood,” *Zhongyang Ribao* [Central Daily], October 20, 1999, p. 10.

<sup>29</sup> “The CCP Publishes the Summary of the White Paper on Taiwan,” *Zhongguo Shibao*, February 22, 2000, p. 14.

Chinese government. In September 2001, Qian Qichen contended publicly, so long as Taiwan accepted the “one-China principle,” China could wait patiently with respect to unification.<sup>30</sup> This statement rejected the “third if” in the White Paper, and thus denied the speculation on Beijing’s urgency for unification.

The general views of Chinese scholars and persons involved with Taiwan were that so long as Taiwan did not declare independence, China would not use force against Taiwan. They emphasized that for the time being China planned to concentrate its energy on own economic development, so preventing Taiwan independence was the main purpose. In their opinion, China did not intend to unify with Taiwan in the short term, not to mention accomplishing cross-Strait unification by the way of military force.<sup>31</sup> That is, Beijing had no “time table of unification.”

## VI. Six Critical Thoughts of Beijing’s Taiwan Policy

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<sup>30</sup> Le-yi Yuan, “Qian Qichen: So Long As Taiwan Agrees Upon One China, Mainland Can Wait Patiently,” *Zhongguo Shibao*, September 11, 2001, p. 1.

<sup>31</sup> Two senior persons (one has military background) involved with Taiwan in Beijing, interview with author, November 2002. A senior scholar of Taiwan studies in Beijing, interview with author, November 2002. Three senior scholars of international relations in Beijing, interview with author, November 2002. A senior scholar of international relations in Shanghai, interview with author, November 2002.

## China's priority is economic development

At present, Beijing links “national unification,” “national advancement,” with “economic development” on its national agenda. In the next twenty years, China will focus on the central task of economic construction.<sup>32</sup> That is to say, China would like to lay national unification aside, devoting its energies to economic development first and foremost, and hoping that the cross-Strait issue will not interrupt this process.<sup>33</sup> Furthermore, China hopes Taiwan can shelve certain political disputes (i.e., Taiwan does not propose words or policies of Taiwan independence) and promote cross-Strait economic common development and prosperity.<sup>34</sup>

For example, although the Chinese public criticized the Chinese government for

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<sup>32</sup> In the report of the 16<sup>th</sup> Party Congress, China hopes to quadruple national income in 2020, creating a well-off society.

<sup>33</sup> Two senior persons involved with Taiwan in Beijing, interview with author, November 2002. Two senior scholars of international relations in Shanghai, interview with author, November 2002. A senior scholar of Taiwan studies in Nanjing, interview with author, March 1, 2003.

<sup>34</sup> A senior scholar of American studies in Beijing, interview with author, November 2002. A senior person involved with Taiwan, interview with author, November 2002.

being too weak on foreign policy and Taiwan issues, Beijing was unwilling to be too tough because it had strong concerns about China's stability and development.<sup>35</sup> China recognizes that the stability of Sino-U.S. relations is essential to China's economic development and political stability. As a result, China adopts a cooperative attitude and policies toward the United States on major international issues, including the Taiwan issue.<sup>36</sup>

### **China is full of self-confidence**

First of all, after twenty some years of rapid economic growth, China is full of self-confidence. It is expected that Chinese aggregate national income will quadruple

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<sup>35</sup> Three senior scholars of international relations in Beijing, interview with author, November 2002.

A senior scholar of international relations in Shanghai, interview with author, November 2002.

Yinghong Shi, a professor at the People's University of China, argues that the Chinese government "lacks sufficiently high degree of public support on the Sino-U.S. relations and the Taiwan issue".

Cuo-zhong Wang, "How to Hold His Power in the Diaoyutai steadily will Test Hu Jintao's Wisdom," *Zhongguo Shibao*, November 26, 2002, p. 11.

<sup>36</sup> Three senior scholars of international relations in Beijing, interview with author, November 2002. A scholar of American studies in Shanghai, interview with author, November 2002. Jisi Wang, director of the Institute of American Studies, China Academy of Social Science, and Yinghong Shi, professor at the People's University of China, have the same opinions. "There Are Concrete Meanings in the Sino-American Summit," *Huanqiu Shibao* [Global Times], November 7, 2002, p. 5. Cuo-zhong Wang, "How to Hold His Power in the Diaoyutai steadily will Test Hu Jintao's Wisdom," *Zhongguo Shibao*, November 26, 2002, p. 11.

in 2020, creating a well-off society. As to cross-Strait issues, Chinese scholars generally recognize that time is on Beijing's side because China's national strength along with its influence in the international community are getting stronger, while Taiwan's manoeuvring space is getting smaller.<sup>37</sup>

Second, since mid-2002, the relationship between China and the United States has been improved significantly. Washington has changed its relatively hostile policy toward Beijing and adopted a more moderate and cooperative policy. In particular, after Taiwan's expression of its "one-country-on-each-side theory" of August 2002, the United States referred the 1972 Shanghai Communique to express its position. At the October 2002 summit between President Bush and President Jiang Zemin, Washington stated that the United States did not support Taiwan independence. These announcements relieved China about the role of the United States in cross-Strait relations. In addition, after China made some concessions to Taiwan, including the new definition of "one China" and the prerequisites of bilateral negotiation on the "three direct links," the United States exerted pressure on Taiwan, letting China feel its Taiwan policy more effective.<sup>38</sup>

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<sup>37</sup> A senior scholar of international relations in Beijing, interview with author, November 2002. A senior person involved with Taiwan in Beijing, interview with author, March 2003.

<sup>38</sup> A senior scholar of international relations in Beijing, interview with author, November 2002. A

Finally, on cross-Strait relations, after Chen Shui-bian assumed office, Beijing was full of suspicion of the DPP's China policy. Beijing speculated that, once in power, the DPP might declare Taiwan independence. After two and half years, Beijing has realized that Chen Shui-bian's policy is constrained by Taiwanese public opinion and the political structure. Thus, Beijing believes that the worst period of cross-Strait relations (when "one-country-on-each-side theory" was issued in August 2002) is already behind them. No worse thing would happen thereafter. Because of the confidence mentioned above, China would like to address cross-Strait relations using a more moderate and pragmatic approach.<sup>39</sup>

### **China pays attention to Taiwan's public opinion**

Gradually, China has already realized the significance of Taiwan's public opinion

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senior person involved with Taiwan in Beijing, interview with author, March 2003.

<sup>39</sup> Two senior scholars of Taiwan studies in Xiamen, author's conference notes, November 8, 2002. A scholar of the international relations in Beijing, interview with author, November 2002. Two senior scholars of Taiwan studies in Shanghai, interview with author, November 2002. A senior person involved with Taiwan in Shanghai, interview with author, November 2002. Two senior scholars of international relations in Shanghai, interview with author, November 2002. A senior person involved with Taiwan in Beijing, interview with author, March 2003.

for Taiwan's political development and for its China policy. Beijing has learned a serious lesson from Taiwan's 1996 and 2000 presidential election results, particularly the latter one, that Chinese coercive policies were counter-productive in Taiwan.<sup>40</sup> In addition, Beijing is aware that Taiwan's public opinion is the best way to restrain Chen Shui-bian's policy of Taiwan independence.<sup>41</sup>

China's recent policies were clearly based on the purpose of "placing hope on the Taiwanese people." For instance, China removed political prerequisites on the "three direct links" negotiation and made unilateral concessions to Taiwan on the chartered flights to help Taiwan businesspeople get home for the Lunar New Year holiday in February 2002.<sup>42</sup> However, though China aggressively strives for the popular support of Taiwan for unification, China has no clear or feasible methods and is still full of

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<sup>40</sup> A senior person involved with Taiwan in Nanjing, February 27, 2003. Two senior scholars of international relations in Beijing, interview with author, March 2003. Two senior scholars of Taiwan studies in Beijing, interview with author, March 2003.

<sup>41</sup> Three senior persons involved with Taiwan in Beijing, interview with author, November 2002. A senior scholar of Taiwan studies in Beijing, interview with author, November 2002. A senior scholar of Taiwan studies in Shanghai, interview with author, November 2002.

<sup>42</sup> A senior scholar of Taiwan studies in Nanjing, author's note of a conference, February 28, 2003. A senior person involved with Taiwan, interview with author, March 2003. A senior scholar of Taiwan studies in Shanghai, interview with author, March 2003. Two senior scholars of Taiwan studies in Beijing, interview with author, March 2003. A senior scholar of international relations in Beijing, interview with author, March 2003.



frustration.<sup>43</sup>

## **China is worried Taiwan's promotion of a plebiscite on independence**

China is afraid that if re-elected in 2004, Chen Shui-bian would possibly promote the legislation of a plebiscite or other radical measures for Taiwan independence. Such anxiety is mainly based on two reasons: First, if re-elected smoothly in 2004, Chen Shui-bian will dominate the Taiwan political situation more easily, with more political strength and without the pressure of re-election. As a result, Chen Shui-bian, like former President Lee Teng-hui in his second term, will adopt the policy of promoting Taiwan independence.

Second, after Chen Shui-bian assumed office in 2000, despite his earlier declaration of “four noes and one have-not” and the “integration theory,” the “one-country-on-each-side theory” appeared in August 2002 after all, catching Beijing unprepared and surprised. Therefore, Beijing argued that because Chen Shui-bian's decision had irrational factors and might go to extremes in the future, Beijing had to

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<sup>43</sup> Three senior persons involved with Taiwan in Beijing, interview with author, November 2002. A senior scholar of Taiwan studies in Beijing, interview with author, November 2002. A senior scholar of Taiwan studies in Shanghai, interview with author, November 2002.

take scrupulous measures.<sup>44</sup>

### **China's thoughts on promoting the "three direct links"**

Regarding the "three direct links," those in China's Taiwan affairs system dominantly believe that Taiwan needs the "three direct links" more than China does. They believe Taiwan benefits more from the "three direct links" and China does not need them urgently.<sup>45</sup> In addition, Beijing asserts that Chen Shui-bian only shows a posture for election and does not really want the "three direct links." As a result, the "three direct links" will not succeed in the short run.<sup>46</sup>

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<sup>44</sup> A senior person involved with Taiwan in Beijing, interview with author, November 2002. A senior scholar of Taiwan studies in Beijing, interview with author, November 2002. A scholar of Taiwan studies in Shanghai, interview with author, November 2002. A senior scholar of the international relations in Shanghai, interview with author, November 2002. A senior scholar of Taiwan studies in Beijing, interview with author, March 2003. Two senior scholars of international relations in Beijing, interview with author, March 2003.

<sup>45</sup> A person involved with Taiwan in Shanghai, author's conference notes, October 9, 2002. A senior person involved with Taiwan, interview with author, November 2002. Two senior scholars of Taiwan studies in Beijing, interview with author, November 2002.

<sup>46</sup> Two senior persons involved with Taiwan in Beijing, interview with author, November 2002. A senior scholar of Taiwan studies in Beijing, November 2002. Two scholars of Taiwan studies in Shanghai, interview with author, November 2002. A senior person involved with Taiwan in Beijing, interview with author, March 2003. A scholar of Taiwan studies in Shanghai, interview with author, March 2003.

Since Taiwan needs the “three direct links” more, and the probability of success in the short term is not significant, why has China been so actively promoting the “three direct links”? Why would China rescind the one-China principle as the prerequisite for negotiation of the “three direct links,” define cross-Strait air and sea links as the “cross-Strait routes,” and not utilize the issue of the “three direct links” to manipulate Taiwan’s presidential election in 2004 to its favor (making Chen Shui-bian unable to be re-elected)?

In general, there are four reasons for China to actively promote the “three direct links.” First, Chinese leaders hope to accomplish historical achievement of the “three direct links” that has been put forward since 1979, in order to help consolidate their status within the Party.<sup>47</sup>

Second, China believes that the “three direct links” are favorable steps toward the unification of the two sides across the Strait and preventing Taiwan from continuing to move towards independence.<sup>48</sup>

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<sup>47</sup> A person involved with Taiwan in Shanghai, author’s conference notes, October 9, 2002. A senior scholar of Taiwan studies in Shanghai, interview with author, November 2002.

<sup>48</sup> A senior scholar of Taiwan studies in Shanghai, interview with author, November 2002.

Third, the “three direct links” help China solve the present economic predicament and continue its economic development.<sup>49</sup> In the 1990s, notwithstanding the fact that its economic growth rates had been extraordinarily outstanding in appearance, China’s internal economic, social, and political problems were continuously severe. After joining the WTO at the end of 2001, China has been facing more thorny economic problems. The only way for China to solve or control internal problems is to keep the economy effectively growing at 7-8 percent annually.<sup>50</sup>

For instance, in internal meetings in Beijing, Zhu Rongji did not mention any policy achievements at all, emphasizing that China still had enormous problems to be solved because he had a clear picture of China’s overall situation.<sup>51</sup> At the press

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<sup>49</sup> A scholar of international relations in Beijing, interview with author, July 12, 2001. A senior economist at the Xiamen University, July 8, 2002. A senior scholar of Taiwan studies in Beijing, interview with author, July 8, 2002. Several senior scholars of Taiwan studies in Beijing, interview with author, July 9 and 16, 2002.

<sup>50</sup> Chen-yuan Tung, *China's Economic Leverage and Taiwan's Security Concerns with Respect to Cross-Strait Economic Relations*, Ph.D. Dissertation, Johns Hopkins University, 2002, pp. 294-365. A senior economist in Tianjin, conversation with author, November 2002. A senior economist in Beijing, conversation with author, November 2002.

<sup>51</sup> A senior scholar of Taiwan studies in Beijing, interview with author, July 9, 2002.

conference of March 2002, Zhu Rongji even stated publicly that, if the Chinese government had not adopted the proactive fiscal policy and prudent monetary policy between 1998 and 2002, “China’s economy would probably have collapsed.”<sup>52</sup>

Fourth, Beijing maintains that bilateral negotiation over the “three direct links” can promote the stability and development of cross-Strait relations, and allow China to concentrate on its economic development.<sup>53</sup> For example, in July 2002, while explaining cross-Strait relations to the visiting delegation of the Mountain (a political group) from Taiwan, Qian Qichen pointed out, there were still many difficulties in front of China, and peace and stability were the most important matters.<sup>54</sup>

To sum up, for Chinese leaders, promoting the “three direct links” is of little risk, has a high probability of success, and is an easy-to-accomplish policy achievement on the Taiwan issue that will elevate their status within the Party, be helpful in facilitating unification and preventing Taiwan independence, and be helpful to economic

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<sup>52</sup> “Comparison – Xinhua Reports on Premier Zhu Rongji News Conference” (in Chinese), Beijing Xinhua Domestic Service, March 15, 2002, in FBIS-CHI-2002-0315.

<sup>53</sup> A senior scholar of Taiwan studies in Beijing, interview with author, November 2002. A senior scholar of American studies in Beijing, interview with author, November 2002.

<sup>54</sup> Jia-wei Luo, Pei-fen Chou, “Qian Qichen Affirms the Function of the Two Associations,” *Lienho Bao*, July 6, 2002, p. 1.

development. As a result, Chinese leaders will continue to place the priority of their Taiwan policy on promoting the “three direct links.”

### **China actively utilizes the international community to suppress Taiwan**

In recent years, China often propagandized the goodwill of its Taiwan policy to the United States, in order to strive for U.S. support for China’s position toward Taiwan and urge the United States to exert pressure on Taiwan for making policy concessions to China. For example, at the beginning of January 2001, before George W. Bush took up the post of U.S. president, Qian Qichen, in an interview with the *Washington Post*, explained China’s new definition of the “one-China principle.” Beijing hoped to express its goodwill to the Bush administration, preventing Washington from selling advanced weapons to Taipei.<sup>55</sup>

In September 2001, Qian Qichen stated again, so long as Taiwan accepted “one China,” China was willing to wait patiently for unification, i.e., denying the “third if”

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<sup>55</sup> Just meeting with Qian Qichen, Douglas Paal, director of the Asia-Pacific Policy Research Center and former senior director of Asian Affairs for national security for President George Bush, explained in this way. “Qian Qichen: The Confederation Can Be Discussed, and Will Adopt More Flexible Taiwan Policy,” *Zhongguo Shibao*, January 6, 2001, p. 2.

in China's White Paper on Taiwan of February 2000. Beijing's purpose lay in striving for world opinion's support and relaxing the tensions between the United States and China, because Washington had argued that the "third if" would change the cross-Strait balance.<sup>56</sup>

On the eve of President Bush's visit to China in February 2002, Beijing again released its goodwill to Taipei, in expressing its willingness to expand contacts with DPP members. China hoped that this policy would persuade the United States to urge Taiwan to accept the "one-China principle," or at least reduce U.S. support to Taiwan.<sup>57</sup>

On the eve of Jiang Zemin's visit to the United States at the end of October 2002, Qian Qichen defined cross-Strait air and sea links as cross-Strait routes. Such a definition was a very powerful propaganda tool in the United States, which proceeded to exert enormous pressure on Taiwan.<sup>58</sup>

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<sup>56</sup> Le-yi Yuan, "Mainland Scholars: Qian Qichen's New Three Segments Theory Has Shown Greatest Sincerity," *Zhongguo Shibao*, September 11, 2001, p. 3.

<sup>57</sup> "The CCP Has New Ideas on Its Taiwan Policy and Narrows Down the Scope of Refused Contacts," *Zhongyang Ribao*, January 28, 2001, p. 7.

<sup>58</sup> Chen-bo Lin, "Governmental Senior Officials: The U.S. Wishes Direct Links, But Not Cross-Strait Routes," *Zhongguo Shibao*, November 3, 2002, p. 2.

Furthermore, Beijing appealed to peace and stability, urging the international community to pressure Taiwan to get back to the “one-China principle” in the name of preventing an outburst of cross-Strait conflict. For instance, when condemning Taipei’s “two-state theory”<sup>59</sup> and “one-country-on-each-side theory,” Beijing constantly emphasized that Taiwan’s policy would “jeopardize the peace and stability of the Asian-Pacific area.” Therefore, China asked the United States to play a constructive role of peace and stability in the Taiwan Strait, i.e., constraining the activities of Taiwan independence and pressuring Taiwan to get back to the “one-China principle.”<sup>60</sup>

Yang Jiechi, Chinese Ambassador to the United States, said explicitly in a speech in New York in December 2002, that Taiwan was intentionally very provocative and made trouble, which destabilized the Taiwan Strait and the Pacific region. He

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<sup>59</sup> On July 9, 1999, President Lee Teng-hui stated in an interview with *Deutsche Welle* that the relationship between the People’s Republic of China and the Republic of China on Taiwan is a “state-to-state or at least a special state-to-state relationship.”

<sup>60</sup> “One China Is An indisputable Fact,” *Renmin Ribao* [People’s Daily], August 13, 1999, p. 3. Jian-lin Zhu, “The Taiwan Affairs Office of the State Council Reacts: Taiwan Should Promptly Stop All Separatist Activities,” *Zhongguo Shibao*, August 6, 2002. Cuo-zhong Wang, “American Deputy Secretary of State Amitage: The U.S. Insists the One China Policy and Not Support Taiwan Independence,” *Zhongguo Shibao*, August 27, 2002, p. 11.



emphasized that all countries, including China, which love peace and stability, should contain Taiwan's provocative behavior.<sup>61</sup>

China even utilized the international pressure to impel Taiwan to accept cross-Strait unification. For example, when visiting the United States at the end of October 2002, Jiang Zemin advocated that cross-Strait peaceful unification would be in the interest of the Asia-Pacific and world peace, would facilitate the stabilization of the Sino-U.S. relations, and would effectively protect the U.S. interests in Taiwan.<sup>62</sup>

Therefore, to a certain extent, Beijing hopes to win the support of the United States and international opinion through revising its Taiwan policy, and thus pressuring Taiwan to make some positive responses to China's "goodwill." At the same time, by appealing to the common interests of the international community, China is urging the international community to suppress Taiwan from moving towards Taiwan independence and to support cross-Strait peaceful unification.

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<sup>61</sup> Liang-fen Wang, "Yang Jiechi: Missiles Against Taiwan Are the Issue of National Security; Should Be Understood by the U.S.," *Zhongguo Shibao*, December 5, 2002, P. 11.

<sup>62</sup> Ping Liu, "Jiang Zemin: Cross-Strait Peaceful Unification Meets U.S. Interests," *Zhongguo Shibao*, October 26, 2002, p. 4.

## V. Assessment and Prospect of China's Taiwan Policy

The third generation of Chinese leaders placed economic development at the center of China's Taiwan policy, hoping to focus their energy on solving internal problems and not the Taiwan issue, which would thereby delay or disrupt the process of Chinese economic development. At the same time, they considered "stabilizing U.S.-China relations" and "appealing to the Taiwanese people" as two basic pillars of their Taiwan policy. This policy approach can be abbreviated as the "one center, two basic pillars."<sup>63</sup>

As to its relations with the United States, the third generation of Chinese leaders did not hope that the Taiwan issue became the main contradiction between China and the United States, because they realized that the stability of the Sino-U.S. relationship was very important to its economic development and stability. In addition, by adopting a cooperative attitude and flexible Taiwan policy, advocating the common interest of maintaining the status quo and peaceful unification, the third generation urged the United States to pressure Taiwan to cooperate with China and prevent Taiwan from moving toward independence.

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<sup>63</sup> A Senior Scholar of Taiwan studies in Shanghai, interview with author, November 2002.

Furthermore, the third generation of Chinese leaders perceived that the key to solving the Taiwan issue would be determined by the opinion of the Taiwanese people. Taiwan's public opinion was not only the key to determining unification, but also to assuring the restraint of Chen Shui-bian from marching toward Taiwan independence. Therefore, the third generation emphasized more and more with "appealing to the Taiwanese people."

On the basis of the above-mentioned judgement, after Lee Teng-hui's "two-state theory" was issued in mid-1999, China's response was moderate, hoping to stabilize cross-Strait relations and thus keep concentrating on addressing internal problems. When Chen Shui-bian's "one-country-on-each-side theory" was issued in August 2002, China's reaction was very low-key because military intimidation would have been harmful to Sino-U.S. relations and the feeling of the Taiwanese people, and even more detrimental to China's economic development. This demonstrated that the third generation insisted on the priority of modernization over cross-Strait unification.

The above-mentioned judgement of the "one center, two basic pillars" can also explain why the third generation of Chinese leaders made a series of policy

adjustments (concessions) to Taiwan after Chen Shui-bian assumed office. In last three years, China's adjustments included the definition of "one China" and the conditions of the negotiation over the "three direct links." As to the definition of "one China," the third generation of Chinese leaders constantly made concessions, in hope of winning the support of the United States and the Taiwanese people, and thus pressuring the Taiwanese government to accept the "one-China principle." Furthermore, China continued to de-politicize the issue of the "three direct links" in hope of early implementation, because the "three direct links" would help China's economic development and be "appealing to the Taiwanese people" (cross-Strait unification).

Though more full of self-confidence in dealing with the Taiwan issue at present, the third generation of Chinese leaders felt powerless on one particular issue: public opinion in Taiwan. They realized that the public opinion in Taiwan was the only assurance to restrain Chen Shui-bian's Taiwan independence policy, but did not know how to effectively influence the public opinion to its favor in democratic Taiwan. As a matter of fact, the effects of their policy over the past decade were primarily counter-productive. More worrisome for Chinese leaders was that, so long as Chen Shui-bian is re-elected in 2004, China might lose the last constraint of the public

opinion to Chen Shui-bian.

Therefore, China's tough policy of military intimidation and insistence that the Chen Shui-bian administration must accept the framework of the "one China principle" were both based on these kinds of concerns (the worst scenario). In this situation, the strategy of its Taiwan policy of the third generation was very clear -- "advocating unification" was only a principle, but the most important thing was "preventing Taiwan independence."<sup>64</sup>

The third generation of Chinese leaders argued that as long as Taipei accepted the framework of the "one-China principle," "three can-discusses" were negotiable and would consider the needs of the Taiwanese people. However, the third generation has not yet put forward a concrete plan of action that may be acceptable to Taiwan. China urgently wants Taiwan to accept the framework because it is worried that Taiwan might break through the status quo, and wants to use this stratagem to propagandize inside Taiwan and amongst the international community.

For example, China proposed the new definition of the "one-China principle,"

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<sup>64</sup> A senior scholar of international relations in Beijing, interview with author, November 2002.

but did not specify concrete measures to implement it in the international society; China proposed “three can-discusses,” particularly “can discuss Taiwan’s international space” (participating the international governmental organizations), but did not form concrete ideas and consensus within China. Moreover, China’s statements were contradictory: on the one hand, Beijing said that it would face the reality of the existence of the ROC; while, on the other hand, in its policy brochure, Beijing argued that the legal authority of the ROC ended in 1949.

Because there is no mutual trust at present between the two sides across the Strait, and disparity of the policy positions between the both sides is huge, the two sides have hardly any common ground in the short term. The situation of cross-Strait confrontation will, thus, continue in the short term: two opposite forces -- “possible plebiscite (Taiwan independence)” and “military deterrence against Taiwan independence (plebiscite)” -- will sustain the tensions and deadlock of cross-Strait relations. Nevertheless, because China needs to develop its economy, the United States constrains and balances both sides, and the mainstream of Taiwan’s public opinion falls in the middle to maintain the status quo, the probability of Chinese use of force to coercively unify Taiwan or Taiwan’s unilateral declaration of independence is trivial.

Furthermore, because China's national strategic goals (priority on economic development and preserving a stable international environment) are very clear, the United States and China have already reached mutual understanding on major strategic issues (including anti-terrorism, international cooperation, the Taiwan issue, and the American status in the East Asia).<sup>65</sup> At the same time, Taiwan has been close to the limit of its unilateral definition of cross-Strait relations and the expansion of its international space. Therefore, it is highly possible that cross-Strait relations could sustain peace and stability, but with deadlock, over next couple years. Nevertheless, the "three direct links" will become the focus of cross-Strait interaction in the short- and medium-term, possibly become the catalyst and mechanism to improve the cross-Strait relations.

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<sup>65</sup> Two senior scholars of international relations in Beijing, interview with author, November of 2002.