Cross-Strait Relations: New Challenges or New Opportunities?

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1. The current status of cross-strait relations.
We are witnessing three different trends:

A) Economic relations and people-to-people exchange:

In 2002, the Mainland overtook the US as Taiwan’s no. 1 recipient of Taiwan’s export. Last year, Taiwan’s export to the Mainland stood at $32.8 billion, about 25% of its overall export. Meanwhile, it imported $8 billion from the Mainland. The trade surplus is $24.8 billion.

By the end of 2002, Taiwan has invested in the Mainland $66.8 billion, but this number is not accurate as many Taiwan businessmen didn’t report their investment to their government. Some estimates suggest this may be as high as $100 billion.

In 2002, the visitors from Taiwan to the mainland were 3.1 million person-times, while those from the mainland to Taiwan were only 38,000 person-times.

B) Political relations:

Since the inception of Chen Shuibian government, Beijing’s policy has been “wait-and-see”.
Beijing rejected to have contact with Chen as long as it does not accept “one China” principle. So far there have been some exchanges of rhetoric in the air, but to my knowledge, no substantive contact has ever occurred.

C) Socio-cultural relations:

Chen government’s “de-sinicization”: To cut off the cultural linkage across the Taiwan Strait. To get rid of anything that has a linkage to China or a symbolic implication for China. For instance, in the middle school history textbook, they have started to treat the Chinese history before the Ming Dynasty as part of the world history.

2. Evolution of Beijing’s approaches to Taiwan

A. Before 1979, “liberation of Taiwan,” which implied that force would be used to solved the problem.

B. Between 1979 and 2000, the thrust of the policy was “peaceful unification” through “political negotiation.”


Promotion for “3 links”: direct postal, commercial, and navigational links. To enhance this objective, Beijing has adjusted its position on the issue: Taiwan accepts “one China” principle – treating “3 links” as China’s internal affairs – treating it as “the cross-strait navigation.”

Military deterrence: At this stage, the PRC’s military posture was set to deter Taiwan from moving toward de jure independence, not to coerce Taiwan into unification.

3. Challenges

Starting from the Summer of 2003, Chen Shuibian began to advocate a new political
agenda before and after the 2004 election, and he stressed on two things: plebiscite and drafting new constitution.

Plebiscite will start with issues that may not have to do with cross-strait relations, but will set the precedent for future plebiscite on subjects like Taiwan’s independence.

New constitution: the essence is to seek Taiwan’s de jure independence.

Chen did this for the sake of election: He needs to consolidate the support from the fundamentalists within DPP, who are not happy with what Chan was supposed to accomplish in his first term. Also he wants to provoke the mainland, if Beijing reacts strongly, that plays into his hands.

The problem is: If Chen is reelected on this platform, he has to honor his promise. And he would be willing to do it. And he believes he can do it, since Beijing will be neither militarily prepared nor politically willing to use force against Taiwan.

If Chen wins the election in March 2004, then the legislative election at the end of 2004 will be crucial. If Chen cannot win the majority seats, his hands will be bound by the opposition party. If his party wins the majority, then there will be real danger that Chen will try to push the envelope on cross-strait relations.

4. Opportunities.
If the Pan-blue candidate wins the election, then the new government in Taiwan will not be so eager to challenge the “one China” framework, since they don’t have a political agenda for Taiwan independence. They are more willing to maintain the status quo, and their approach to cross-strait relations will be more pragmatic rather than ideology-driven.

In that case, both sides of the Taiwan straits, under the “one China” framework, can temporarily shelve their political differences and work together on issues that fall into the category of low politics, such as three links, expanding the cross-strait economic cooperation, and jointly fighting crimes.

5. Implications for Beijing and Washington
For the new leadership in Beijing, Taiwan is not a high priority on the agenda. They are concentrated on domestic issues: economic growth, employment, regional development gap and income disparity, so on. They don’t have a timetable on the Taiwan issue.

Beijing will keep a low profile on Taiwan’s election, and may not do much in reacting to Chen’s provocative rhetoric and actions. However, the outcome of the election in Taiwan may force Beijing to reset its agenda, taking Taiwan as an imminent challenge that deserves greater policy attention.

For Washington:

On the Korean nuclear issue, China and the US have good cooperation, and on the Taiwan issue, our two countries should also cooperate closely to maintain the stability in the Taiwan Strait. This serves the interests of China and US, and the entire region.

Washington should state that:
A) It does not favor any particular candidate in Taiwan, what it cares is where their policies will contribute or undermine peace and stability in the Taiwan Strait.
B) No matter who wins the election, Washington expects him to stick to the so-called “4 no’s” commitment made by Chen at his inauguration speech in May 2000, i.e., no declaration of independence, no change of the title of ROC, no plebiscite on Taiwan’s independence, and no amendment of constitution to accommodate the “two-states” theory.
C) US government takes seriously its commitments to China on the Taiwan issue, such commitments include “one China” policy, and standing against Taiwan independence.