

**2013/09/28**

**Cross-Strait Relations under Xi Jinping**

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Paper to be delivered at the International Conference on “New Cross-Strait Relations and Future Prospects,” Carnegie Endowment for International Peace, Washington, D.C., October 3-4, 2013.

Since President Ma came to power in May, 2008, cross-Strait relations have made great stride forward. Over the years, mainland China has gradually formed a three-dimensional strategies towards its southeastern neighbor: On the strategic level the “92 consensus” has been reaffirmed as basis for political trust so that exchanges between the two semi-official organizations, the SEF and the ARATS, could be resumed; at the medium level negotiations were started based on the principle of “economics precedes to politics and easy ones to difficult ones”. At the bottom exchanges were broadened and institutionalized as governments were getting involved. Take the direct flights as an example, countless meetings have been held between the two sides through proxies for the addition of new flights and routes. The new mode of relationship has ushered in for the first time peace in the region with millions of people reaping the fruits. As President Ma was gearing up for reelection Beijing seemed to aim to expedite the relations by “deepening political trust” and changes were made accordingly. First, on political foundation, China seemed to want to supplement the ambiguous “92 consensus” with a more clear “one China framework” and “both sides belong to China” (*tongshu yizhong*).<sup>1</sup> Second, Beijing seemed to want to forge the ambience for political talks as the more pragmatic term “economics before politics” was amended to a more balanced “economics and politics

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<sup>1</sup> Concerning mainland China’s changes on political principles see Chien-min Chao, “Zhonggong tanpan xingwei,” (Communist China’s Negotiation Behavior), in Su Chi and Tung Cheng-yuan, *Liangyan guanxi de jiyun yu tiaozhan* (Cross-Strait Relations: Opportunities and Challenges) (Taipei: Wunan, 2013), pp. 123–144; Chien-min Chao, “Cong jiuer gongshi tan liangan zhengzhi huxing,” (‘92 Consensus’ and Cross-Strait Political Trust) in Lin Chung-shen and Arthur Ding, eds., *Jiuer gongshi ershi zhounian xueshu yantaohui huiyi shilu* (Conference Papers on the 20<sup>th</sup> Anniversary of the 92 Consensus) (Taipei: Yingjie, 2012), pp. 65–78 ; Chien-min Chao, “Cong zhiduhua dao zhidu shenhua” (From Institutionalization to Deepened Institutionalization), in Shao Chung-hai, ed., *Erlinyisannian duoyuan shijiao guancha liangan guanxi zouxiang* (Cross-Strait Relations in 2013: A Multi-Angel Approach) (Taipei: College of Social Sciences and Mainland China Studies Center, Chinese Culture University 2013), pp. 40–52 °

are intermingled”.<sup>2</sup> Terms with more political connotation such as “the relations are entering into deep water”,<sup>3</sup> “one China framework” and “peace and stability framework” were often preached. In the meantime, talks on cultural and educational agreements were urged. Third, on the exchange side focus was shifted to the grass-roots level with people living in the central and southern parts of Taiwan especially those with lower income were targeted.

After Xi Jinping became the supreme leader in November, 2012, China’s policies have made another turn. Although Xi inherits the political stance from Hu Jintao as terms like “both sides belong to the same China” and “strive to form common acknowledgement over one China” are still the buzz words, the urge for political talks, though heard in official gatherings,<sup>4</sup> seems to have lost the urgency. China seems to be more focused on what is already in the pipelines. The followed-up negotiations of the ECFA, the Cross-Strait Service Trade Agreement and the Trade on Goods Agreement, and the establishment of offices by the SEF and the ARATS, seem to have the priority. Simply put, China’s new policies can be summarized as consolidating the top (political trust), taking light on the middle (creating ambience for political talks) and deepening the bottom (pragmatic negotiations). This paper intends to discuss some of the issues facing the two sides since Xi took over.

### **The “One China Framework”**

Before the KMT returned to powers in 2008 China focused its policies on

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<sup>2</sup> Wang Yi: liangan xianjing houzheng jingzhong youzheng (Economics precede to politics and economics in politics), *ziyou dianzibao* (2010/10/21) ·

<http://www.libertytimes.com.tw/2010/new/oct/21/today-fo3.htm>

<sup>3</sup> Xu Bodong, “Xi Ma Ying-Jeou liangan zhengce de juxianxing: liangan guanxi youwang sheguo sheshuiquma,” (Limitations on Ma Ying-Jeou’s Cross-Strait Policies: Is It possible to Cross the Deep Waters?) in Shao Chung-hai, ed., *Erlinyisannian duoyuan shijiao guancha liangan guanxi zouxiang*.

<sup>4</sup> When meeting with Wu Poh-hsiung in June, 2013, Xi raised, on top of the 92 consensus, the issues of ending hostility, establish military security mechanism, and reach a peace accord. See *Lianhe bao*, June 14, 2013, p. A2.

making “92 consensus” the cornerstone of political trust between the two sides. Former CCP leader Hu Jintao made this clear in his “four points” policy in March, 2005. The trouble in cross-Strait relations, according to Hu, lied in “Taiwan authority’s refusing one China principle and not recognizing ‘the 92 consensus’ as the embodiment of one China principle”.<sup>5</sup> To Beijing the “92 consensus” was synonymous to “one China” principle back then. The two sides finally got a break on the issue when KMT honorary chairman Lian Chan made a historic “ice-breaking” visit to Beijing in April, 2005, paving the way for the reconciliation opened up by Ma and Hu later on.<sup>6</sup> However, mainland China seemed to hold expectations after Ma succeeded in serving a second term. The emphasis was shifted to “deepening and consolidating one China principle”, and “consolidating, enhancing, and deepening” mutual political trust. Beijing wanted to add more clarity to the murky “92 consensus,” the original “foundation of mutual political trust”, by demanding “the two sides belong to the same China” and “one China framework”.<sup>7</sup> Wang Yi, former Director of the Taiwan Affairs Office, spelled the policy in an unambiguous term in Houston, the United States, in April, 2012. Wang stressed that by consolidating political foundation Beijing meant to “maintain 92 consensus” and “refuse Taiwan independence by any means”. However, to increase mutual political trust means to “acknowledge that the two sides belong to one China (*rendong liangan dongshu yizhong*)” and to “maintain one China framework (*weihu yizhong kuangjia*)” so that “a more clear common acknowledgement (*gongdong rendong*) and consistent stand (*yizhi lichang*) can be forged.”<sup>8</sup> In an interview at the Boau Forum before heading to Houston, Wang Yi

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<sup>5</sup> *Xinhuashe* (New China News Agency) (Beijing), March 4, 2005.

<sup>6</sup> Chien-min Chao, “Zhonggong tanpan xingwei.”

<sup>7</sup> For further discussion, see Chien-min Chao, “Cong jiuer gongshi tan liangan zhengzhi huxing,” pp. 65–78.

<sup>8</sup> “Wang Yi: Wei liangan heping fazhan zentian xin neihan” (Adding New Contents to Cross-Strait Peace Development), *Jinri xinwenwang* (April 16,

hinted that to push further economic cooperation the two sides needed to “further maintain, consolidate and ceaselessly deepen mutual political trust.”<sup>9</sup> Actually, Wang divulged his view at the 10<sup>th</sup> Conference on Cross-Strait Relations on March 15, 2012, by saying that on the matter of maintaining “one China framework” the two sides should “forge a more clear common acknowledgement and consistent stand” and “erect an understanding of one family from across the Taiwan Strait.”

Hu Jintao himself preached the same mantra in March, 2012, while meeting with KMT’s honorary chairman Wu Poh-hsiung:<sup>10</sup>

To enhance mutual political trust [the two sides should] insist on “92 consensus” and oppose Taiwan independence resolutely. For this, [the two sides] should take concrete measures and work harder. Although the two sides are yet to be unified, Chinese territories and sovereignty are not divided and the fact that both mainland and Taiwan belong to one China remains unchanged. Reaffirming this fact is in line with our current regulations and should be within reach by either side. To maintain one China framework would help enhancing mutual political trust and stabilizing the development.

In the meeting Hu reiterated the stand of “belonging to the same China” he made in his “eight points” proposal in 2008. In a speech to the KMT/CCP Economic and Culture Forum held in Harbin in July, 2012, Jia Qinglin, former chairman of China People’s Political Consultative Conference, further clarified the policy:<sup>11</sup>

to enhance political trust is to maintain and consolidate the one China framework and the core of one China framework is that Taiwan and the mainland belong to the same country (*Taiwan yu dalu dongshu yige guojia*). Cross-Strait relations are not state-to-state relations. The two sides should reaffirm that fact and form a

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2012) <http://www.nownews.com/2012/04/27/11635-2804809.htm> °

<sup>9</sup> “Wang Yi: Gonggu shenhua zhengzhi huxin jixu shixian huli shuangyin (Consolidate and Deepen Political Mutual Trust and Continue Realizing Win-win Situation), Renminwang (April, 1, 2012) <http://politics.people.com.cn/GB/99014/17565100.html> °

<sup>10</sup> “Hujintao hui wuboxiong: zengjin zhengzhi huxin zhongzai jianchi jiuer gongshi,” (The Way to Increase Political Mutual Trust Is through Insistence on 92Consensus), *Sina* (March 22, 2012) <http://dailynews.sina.com/bg/chn/chnpolitics/phoenixtv/20120322/18123252422.html> °

<sup>11</sup> <http://news.cnyes.com/Content/20120729/KFLMJWOKOMFA.shtml>

common acknowledgement based on current regulations so that one China framework can be reassured, maintained and consolidated. On this basis the two sides should ... proactively explore a new type of special political relations before unification and gradually opening up ways for the resolution of deep-rooted issues that are confronting us.”

“One China across the Strait” (liangan yizhong) seemed to have emerged as the main focus in China’s quest for “deepening political trust”. This policy was written into CCP’s political report at the 18<sup>th</sup> Party Congress held in November, 2012: “The two sides should adhere resolutely to the common grounds of opposing ‘Taiwan independence’ and insisting on the ‘92 consensus’, enhance common acknowledgement of one China framework and seek to maximize their commonalities and save differences on that basis.”

Built on the successes of previous policies the new Chinese leadership under Xi Jinping seem to have crafted a path of his own. The new policy is to maintain the political stands painstakingly forged between the two sides by Ma and Hu and concentrate on things on the ground. While meeting with Wu Poh-hsiung in June, 2013, Xi parroted the same tone in saying that “although not unified the two sides belong to the same China...the two parties should insist on the stand of one China, and maintain the one China framework together...the core of enhancing mutual trust is to consolidate and maintain one China principle so that a clear common acknowledgement can be formed.”<sup>12</sup> What is different is that China ceases pushing for political talks and instead, putting more emphasis on realizing what is already on the agenda. There are three possible reasons for the change. First, on the premise that one China is meant as the ROC Taiwan has displayed flexibility on the matter of political principle, effectively reducing Beijing’s apprehension. In his trip to Beijing in February, 2012, Lian Chan stated that “both legal systems practice one China principle. Taiwan is part of China just as mainland is also part of China and on that basis the cross-Strait relations under one China framework are given birth.” A spokesman from the TAO expressed agreement with “Lian Chan’s insistence, based

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<sup>12</sup> *Lianhe bao* (June 14, 2013), p. A2.

on the 92 consensus, on seeking the common grounds while saving the differences of the one China framework.”<sup>13</sup> Wu Poh-hsiung expressed a similar stand while meeting with Xi Jinping in June, 2013, by saying “laws (*falv*) and regimes (*tizhi*) of both sides advocate one China principle and cross-Strait relations are defined by one China framework, not state-to-state relations.” In the meeting Wu reiterated KMT’s stance of opposing Taiwan independence and for the first time, on behalf of the KMT, echoed the proposition of “one China framework”.<sup>14</sup> Second, since reelection President Ma and his cabinet have suffered a low support rate. The fact that Cross-Strait Service Agreement is still mired in controversy at the Legislative Yuan has added additional urgency to the Chinese side. Third, current issues that are in talks including the ECFA followed-up agreements and the setting up of the representative offices are highly critical with the prospects of reshaping future relations. It is a better strategy concentrating on what is in sight instead of arguing for what is out of sight.

### **Cross-Strait Representative Offices**

The establishment of cross-Strait representative offices is by far the most politically charged issue in the bilateral relationship. It is reported that up to August, 2013, four rounds of talks have been held with the prospect of reaching an agreement before the end of the year.<sup>15</sup> In his address to celebrate the Double Ten Day in 2012, Ma relayed intention “to review and revise the Act Governing Relations between the People of the Taiwan Area and Mainland Area based on the ‘92 consensus’ and one China with different interpretations, and push for the establishment of cross-Strait offices (*liangan banshi jigou*) as soon as possible so that businessmen and students can be taken care of and people on two sides served.”<sup>16</sup> In an address at the same occasion a year later, Ma made a little change by suggesting that his government would “proactively push for the establishment of

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<sup>13</sup> *Lianhe bao* (February 28, 2013), p. A2.

<sup>14</sup> *Lianhe bao* (June 14, 2013), p. A1.

<sup>15</sup> *Lianhe bao* (August 30, 2013).

<sup>16</sup> The speech can be found on [http://www.nownews.com/2012/10/10/10844-2861866\\_3.htm#ixzz2fCnXD1FY](http://www.nownews.com/2012/10/10/10844-2861866_3.htm#ixzz2fCnXD1FY)

representative offices of the two organizations [the SEF and the ARATS] so that millions of people travelling across the Strait would be taken care of.” The future institutions that are to be created are downgraded from “cross-Strait offices” to “SEF/ARATS offices”. Nevertheless, when established the new institutions will exert additional momentum on cross-Strait relations.

First, cross-Strait relations will be conducted in a “semi-official” fashion, further capitalizing the status of not denying the actual existence of the respective regimes. The SEF’s Beijing office will no longer be a mere branch of a civilian organization, authorized by the government to negotiate with the mainland side, but an institution representing Taiwan’s interests. People stationing there are mostly officials carrying documents sanctioned by the other side and will enjoy privileges and immunities similar to that of diplomats between any two normal countries. The past experience of which governments were absent from cross-Strait affairs is no longer relevant.

Second, it marks a step further in building a more stabilized and institutionalized cross-Strait relations. In the past, exchanges between the SEF and the ARATS were often cut off in retaliation against a policy or statements made by the other side. In the future, it will be far more difficult to see such senseless disruptions.

Third, misunderstandings and miscalculations in the making of policies might be reduced. Due to lack of direct channels authorities often organized academic tours to get to the bottom of what a policy statement is meant. In the future, staffers at the representative offices may assess the situation on a daily basis and report them back. This will no doubt help reduce the misunderstandings in the making of their respective policies.

Talks on the representative offices have been focusing on three issues: document issuing, visitation rights to those detained by law enforcement agencies on the other



side, and safety of properties and personnel of those who are staffing the offices.

Because of the large number of travelers, nearing 8 million a year, there is indeed urgent need for a more efficient way of issuing travel documents. It is reported that the only issue remained is whether the documents are issued by the offices directly or sent to relevant authorities back home after collecting. It is also necessary to provide protection for the staffers in order for them to function properly. It is understood that the two sides have agreed on the inviolability of the institutions, freedom of correspondence, immunities while on duties, exemption of taxes and entrance with preferential status, etc.<sup>17</sup> However, out of concern of judicial sovereignty the Chinese side has yet to agree on the visitation rights to detainees. There are, however, precedents that might be of use. The Cross-Strait Investment Protection Agreement, inked in August, 2012, touches upon the issue in its appendage titled “consensus over freedom of personnel and safety protection.” It is stipulated that if freedoms of movement of the investors, or their family and staffers are restrained, families of the victim should be informed within 24 hours. Both sides are also obligated to inform the authorities of the other side according to the terms set by the Cross-Strait Joint Crime-Fighting and Judicial Mutual Assistance Agreement signed in April 2009. It is said that the Chinese side has suggested to substitute the legal jargon “to see and inspect” (*tanshi*) with a less abiding “to see and visit” (*fangshi*). If the report is true then there might be a solution to this dilemma.

Establishment of offices by the SEF and the ARATS is by far the most politically sensitive issue in the volatile relations and will fundamentally alter the way each side deals with the other. There are a few issues deserving scrutiny at this point. First, since the ARATS and TAO are known as “a set of personnel with two designations” (*yitao renma liangkuai zhaopai*) the relations between the two mainland agencies will

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<sup>17</sup> *Lianhe bao* (August 30, 2013).

change little after their overseas offices are established. But the same is not true over Taiwan's side. The creation of branch office by the SEF will transform the semi-official SEF heretofore in charge of cross-Strait negotiations and handling disputes and incidents under MAC's authorization into one representing Taiwan's interests. Its relations with the MAC will no longer be constrained to that of contractual only. In light of the past history of differences over domains of the SEF it might be wise to contemplate the issue early on.

Second, in the future the offices created under the SEF/ARATS framework are semi-official in nature. Staffers are officials and are bound to make contacts with their counterparts at the other side. Are they allowed in official buildings to conduct business? How should they be addressed in public? Are they allowed to develop relations with diplomats from other countries? What if Chinese officials stationed in Taiwan talk, in high profile, about sensitive political issues such as plans of grand strategy of national unification, or opine dramatic views on television talk show programs and academic conferences, or approach local businesses and seek investments? Things of these sorts are either disallowed at present time or are extremely sensitive. Are Taiwanese ready for a change?

### **Taiwan's International Space**

In September, 2009, Taiwan was invited by the Secretary-General of the WHO, under the title of "Chinese Taipei", to the World Health Assembly as an observer. Since then Taipei has been expressing willingness for a similar fate at the International Civil Aviation Organization (ICAO). The opportunity finally came in September 11, 2013, when Taiwan's Civil Aeronautics Administration Director-General Jean Shen was invited as a "special guest" of Council President Roberto Kobeh Gonzalez, to attend the 38<sup>th</sup> congress under the title "Chinese Taipei CAA," making it the second

UN-related organizations that Taiwan has managed to set foot in since 2008. Reasons contributing to this breakthrough are many, but first and foremost, is elevation of trust between the two sides which effectively reduces China's resistance to Taiwan's international cause. While meeting with Wu Poh-hsiung in June, 2013, Xi Jinping expressed "extremely affirmative with Ma Ying-Jeou's stances of not promoting 'two Chinas', 'one China, one Taiwan' or Taiwan independence."<sup>18</sup> A more relaxed cross-strait relations has also made it easier for Taiwan's friends overseas to come to its aid. The United States President Obama signed into law on July 12, 2013, to show support to Taiwan's bid at the ICAO. Interestingly, while the TAO opposed to the move the end result was not adversely affected.<sup>19</sup>

Basically, Taiwan has resorted to three means to reach the goal. First, according to Jean Shen's account, the two semi-official travel associations, Taiwan's Taiwan Strait Tourism Association and mainland's Association for Tourism Exchange across the Taiwan Straits, created and authorized by their respective transportation agencies to conduct negotiations on direct flights, discussed the issue for a number of times. As the number of travelers crossing the Taiwan Strait increases the Chinese gradually changing their attitude, recognizing that inclusion of Taiwan in the ICAO is helpful in reducing flight risks.<sup>20</sup> Second, the APEC meeting in Vladivostok's Russkiy Island in Russia in September, 2012, was pivotal. Hu Jintao promised Lian Chan to "study seriously the issue of Taiwan participating in the ICAO in a proper manner".<sup>21</sup> Third, Wu Poh-hsiung also raised the issue of Taiwan's international space while meeting

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<sup>18</sup> *Lianhe bao* (June 14, 2013), p. A2.

<sup>19</sup> Yangyi, a spokesman for the TAO, responded on July 13 that "our stance has been clear all along and is widely recognizable and that is on the preconditions of no 'two Chinas' or 'one China one Taiwan' and through negotiations a reasonable and rational arrangement can be made...involvement of foreign powers is not helpful and it'd only further complicate the matter." See *Zhongyang wanglu bao* (July 13, 2013) <http://big5.xinhuanet.com/gate/big5/forum.home.news.cn/detail/123536774/1.html>

<sup>20</sup> *Lianhe bao* (September 14, 2013), p. A6.

<sup>21</sup> *Lianhe bao* (September 14, 2013), p. A6.

with Xi. Although Wu was referring to the Regional Comprehensive Economic Partnership (RCEP) specifically, it nevertheless helped with the case. Wu was meticulous enough to bring up the signing of an education agreement and currency swap agreement, both favored by the Chinese side, the same time. A spokesman from China's TAO commented on Taiwan's entrance as "a move to show mainland's care for Taiwanese compatriots in a new situation of peaceful development in which cross-Strait relations are more consolidated and deepened, and is made possible through negotiations on the premise of no 'two Chinas' or 'one China one Taiwan'."<sup>22</sup> Taiwan's original plan of gaining observer status was thwarted because ICAO regulations specifically required "observers" to be either "non-member states" or "international organizations", forcing the ICAO to be creative. The achievement is certainly welcome by Taiwan as air transportation will be better served but it is only a contingency solution. In the future, the two sides should explore ways so that a more lasting peaceful co-existence in the international arena can be found.

### **The Issue of Weapons Procurement**

Mainland China seems to hold the belief that Taiwan's overseas procurement of armament is source of its intransigence on refusing unification and hence, wants it to derail. Recently, Chinese side is changing strategies from blaming and sometimes penalizing the providing countries to that of deal-swapping. When Jiang Zemin met with US President G.W. Bush in Houston in October, 2002, it was reported that proposal was made by Jiang to pull back missiles deployed in the southeast coast of China in exchange for US ending of military sales to Taiwan. While meeting with President Obama in June, 2013, Xi Jinping made a similar bid, suggesting China might reconsider its military deployment if the US was willing to terminate its

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<sup>22</sup> *Lianhe bao* (September 14, 2013), p. A6.

decade-long policy of supplying weapons to Taiwan. It is known that Chinese Defense Minister Chang Wanquan made an attempt in the Sino-US defense ministerial meeting in August, 2013. It was further reported that the Chinese side proposed a joint task force be formed to discuss the issue.<sup>23</sup> News of this sort is unnerving, to say the least.

The fact that the Chinese side has not eased up on its military preparedness in light of the easing tensions in the Taiwan Strait is deplorable. In the past twenty years Taiwan's defense budget stays put while China's has gone up by leaps and bounds. According to Pentagon's assessments, mainland China now deploys over 1,100 short-range missiles and a huge arsenal of medium-range and cruise missiles on the opposite side of Taiwan. China's military investment still focuses on contingencies in the Taiwan Strait.<sup>24</sup> It is urgent to bring down tensions and distrust caused by the imbalance of military powers.

It is increasingly difficult to be convincing that there is still a need to maintain such a humongous military structure in the coast of Southeast China facing Taiwan given the reconciliation in every other aspect. A feasible solution is to scatter the forces evenly along Chinese borders. This will contribute tremendously to the reduction of distrust shared by the Taiwanese. As peace in the region is gaining traction the urge for Taiwan to purchase large amount of military hardware from abroad will gradually diminish.

### **More Is to Be Expected out of the New Pragmatism**

Since taking over powers Xi Jinping has adopted a pragmatic policy in handling Taiwan affairs. The unrealistic rhetoric of getting prepared for the next stage of cross-strait political talks has given way to a more pragmatic policy of capitalizing on

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<sup>23</sup> *Lianhe bao* (August 24, 2013).

<sup>24</sup> *Lianhe wanbao* (May 7, 2013).

what's already in the pipelines. Taiwan should grab the opportunity and finish the ECFA-related talks over service trade and trade on goods and the establishment of the representative offices as soon as possible. In the international setting the two sides have worked out differences over Taiwan's joining the ICAO. It seems that Xi has started well in the difficult relations with Taiwan. In the future, if mainland China can be more understanding over Taiwan's international participation and tolerant on military procurement, a more consolidated and trustful cross-Strait relations might not be far in sight.