China-Taiwan Relations:  
Beijing Pursues Steady Course despite Headwinds

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In early May, General Secretary Xi Jinping made clear that Beijing would adhere to its peaceful development policy toward Taiwan in the wake of the Sunflower Student Movement. In June, TAO Minister Zhang Zhijun made a first official visit to Taiwan reaching out to broader segments of Taiwan society and meeting DPP Kaohsiung Mayor Chen Chu. DPP obstructionism has continued to prevent the LY from action on cross-strait issues. Tsai Ing-wen was elected Chair of the DPP in July and has indicated there will be no change in basic DPP policy toward the mainland.

Beijing adjusts to Sunflower Movement

How the Sunflower Student Movement and setbacks for the services trade agreement (STA) in the Legislative Yuan (LY) would affect Beijing’s policy toward Taiwan remained uncertain for several weeks. General Secretary Xi Jinping took advantage of a meeting with People’s First Party (PFP) Honorary Chairman James Soong Chu-yu on May 6 to make clear that the core elements of the peaceful development policy would not change and even be strengthened. The mainland would reach out to all segments of Taiwan society, increase efforts to ensure that all on Taiwan benefit from cross-strait economic relations, and make a special effort to connect with young people who represent the future. And of course, Beijing would continue opposing Taiwan independence.

To symbolize Beijing’s commitment to reach out to all, Sun Yafu, a deputy chairman of the Association for Relations Across the Taiwan Strait (ARATS) met June 12 for the first time with President of the Taiwan Brain Trust and long-time pro-independence advocate Koo Kuan-min, in Taipei. Addressing the sixth Cross-Strait Forum in Fujian on June 15, Politburo Standing Committee member Yu Zhengsheng told participants that Beijing was listening to all views from Taiwan. Most importantly, on June 12, the Taiwan Affairs Office (TAO) and Mainland Affairs Council (MAC) announced simultaneously that TAO Minister Zhang Zhijun’s first visit to Taiwan, which had been postponed during the Sunflower Movement occupation of the LY in April, would take place later in June.

Zhang Zhijun’s visit

Before Zhang arrived, the TAO emphasized that the visit would focus on outreach and that Zhang would mainly be listening. The Democratic Progressive Party (DPP) LY caucus cautioned that the Taiwan side should not mention Beijing’s One China Framework or express opposition to Taiwan independence. The MAC gave assurance that the meetings between MAC Minister
Wang Yu-chi and Zhang would avoid sensitive political issues. Sunflower Movement student leaders organized a pre-visit protest. However, the DPP released a statement that Zhang’s visit was a positive development and did not call for party members to demonstrate during the visit.

Minister Zhang arrived in Taiwan on June 25 and met MAC Minister Wang that day. After the meeting, the MAC stated that the exchange of Straits Exchange Foundation (SEF)-ARATS offices had been discussed and that agreement had been reached that those offices’ functions should include humanitarian visits to detained citizens. The TAO said only that the two sides had agreed to continue discussing the issue. On subsequent days, Zhang met New Taipei City Mayor Eric Chu Li-lun, Kaohsiung’s DPP Mayor Chen Chu, and Taichung Mayor Jason Hu Chih-chiang. In her meeting, Chen Chu explained that democracy and freedom were the core values of Taiwan society, and press reports indicated that Zhang had said that Beijing respects Taiwan’s choice of its social system. While Zhang’s statement was widely welcomed in Taiwan, it was not mentioned in Beijing’s official media. DPP Chair Tsai Ing-wen commented that Zhang’s meeting with Chen Chu was a first step toward better understanding between the DPP and Beijing. Zhang also had carefully choreographed meetings with a wide range of people including local officials, entrepreneurs, religious leaders, farmers, scholars, and a select group of Taiwan and mainland students. Zhang had a second more informal meeting with MAC Minister Wang in Kaohsiung on June 27, and after completing his program in Taichung departed and returned to Beijing on June 28.

There were demonstrations each day organized by pro-independence organizations, by Sunflower Movement-related groups, and by the opposition Taiwan Solidarity Union (TSU). The demonstrations were small and peaceful, when compared to those against ARATS Chairman Chen Yunlin on his first visit to Taiwan in 2008. However, on one occasion a Sunflower Movement-related group, the Black Island Nation Youth Front, splashed white paint on Zhang’s motorcade. That incident caused the cancellation of two events on Zhang’s original itinerary.

Zhang’s visit was in return for the ground-breaking visit by MAC Minister Wang to China in February. Zhang was the first People’s Republic of China (PRC) official to visit Taiwan in his official capacity; earlier visits had all been under the auspices of some unofficial capacity. As such, the visit represents a further significant step in the institutionalization of cross-strait contacts, a point that President Ma made in assessing the visit. In addition, when Wang visited China he was referred to in the official Chinese media as the responsible person at the MAC. During Zhang’s visit, Wang was referred to by his official title as MAC minister (主委). This significant courtesy was a further step by Beijing toward acknowledging the government in Taipei. That Wang is the only Cabinet member so referred seems to reflect a view in Beijing that the MAC can be treated differently because it is responsible for internal affairs between two parts of China.

In his post-visit press conference in Beijing, Minister Zhang said his visit showed that “the great majority of Taiwan people” support the peaceful development of cross-strait relations, though there is also a “minority” that holds a different view. Zhang said that beneath the visible society reported in the raucous Taiwan media there is an “everyday, real and concrete (and by implication more favorably disposed toward China) society” that is hidden from view that needs to be the focus of PRC attention. In painting this optimistic view at a time when there are
increasing challenges facing Beijing, Zhang seems to have been indulging in some “happy talk” for his domestic audiences.

**Taiwan domestic politics stalls cross-strait agreements**

Several important but controversial bills were before the Legislative Yuan over the summer but went nowhere – despite two special sessions – as opposition legislators continued to physically obstruct deliberation and all parties maneuvered for advantage. In early May, opposition legislators occupied the podium to block consideration of legislation on oversight of cross-strait negotiations and agreements, which they say must be enacted before the STA can be reviewed. Negotiations resulted in a plan to conduct the review at the end of the month, but DPP legislators then blocked that with a filibuster. Reviews were also blocked in both special sessions. The review of the oversight bill may now take place in the next regular session beginning in September, at which time a DPP legislator will convene the relevant committee. The DPP has said it will submit its own oversight bill, but has not yet done so. Blocked in part by these delays, the STA also made no progress, though government ministries are tasked with submitting reports to address concerns raised by the Sunflower Movement protests. According to one press report, new Minister of Economic Affairs Woody Duh Tyzz-jiun said Aug. 20 that, following consultations with lawmakers, Taiwan’s negotiators might ask China to renegotiate aspects of the STA. Whether his remarks indicate a change in the Ma administration’s past opposition to revising the STA remains to be seen.

The DPP criticized the government’s plans to establish Free Economic Pilot Zones (FEPZs), saying at times that the zones are not well thought-out, there are administrative flaws, there was insufficient consultation, the government is effectively blackmailing local officials to gain their support, and the zones would serve as “back doors” for Chinese funds and goods to enter Taiwan possibly through smuggling. The DPP proposed amendments to the bill on July 31, but deliberation was soon suspended in part because of the major gas explosion in Kaohsiung. The government argues that the FEPZs are an important preparatory step for entry into the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP).

The DPP announced on June 4 that it would not participate in a government-organized national conference on the economy and trade which took place in late July – in response to Sunflower Movement protest demands – because the agenda focused on “relatively old thinking” and did not sufficiently address domestic issues such as unemployment. At the end of the conference, the minister of the National Development Council said that the government would produce an annual “red book” on economic risks emanating from China, create a system to evaluate China’s influence on Taiwan, and develop a social media platform to attempt to give citizens more input into the policy process.

**Other cross-strait developments**

Despite the prospect that neither the cross-strait agreements oversight bill nor the STA will be approved by the LY this year, Beijing and Taipei have tried to keep other negotiations moving. Following a preparatory meeting in July, the sixth Cross-strait Economic Cooperation Committee (CSECC) meeting was held Aug. 5 in Beijing. The published results focused on
implementing existing agreements. However, this meeting, led by sub-cabinet officials, also stated that the negotiations on a merchandise trade agreement (MTA) would resume in late August. Taipei reported in late August that those negotiations would be held in Taipei Sept. 10-12. In late July, a round of discussions on the SEF-ARATS office exchange agreement was held, and again the MAC spokesman subsequently said that “a degree of consensus” had been reached on the sensitive issue of humanitarian visits. These limited results show that the LY logjam is, as would be expected, affecting other negotiations.

MAC Deputy Chairman Chang Hsien-yao was forced to resign on Aug.16. Chang had been a key figure in cross-strait negotiations because he served concurrently as SEF deputy and secretary general. He is now under investigation for leaking secrets to the PRC, an allegation that he vigorously denies. The media has been flooded with stories of spying, espionage, and treason. Whatever the facts, the case has further undermined public confidence in the Ma administration’s mainland policy and added another strain to cross-strait relations. The TAO has avoided comment except to decry the damaging speculative media reporting and to state that one isolated case would not affect the continued development of cross-strait relations.

**DPP developments**

Tsai Ing-wen was elected chair of the DPP on May 25. She said in a number of venues that the DPP should enhance contacts with China, especially at the civil society level. She said she was willing to meet Zhang Zhijun during his visit provided there were no preconditions, but she set a precondition by saying Zhang would have to come to DPP headquarters. Before the party election, Tsai said she would seek a “premium” cross-strait relationship, stressing quality over quantity; she had earlier called for the STA to be renegotiated. In an interview with Taiwan’s Commonwealth magazine published on July 10, Tsai said she is confident that the DPP can “maintain stable relations with China so that cross-strait relations would not be affected by a change in the ruling party.” However, she said that if the party does well in Taiwan’s Nov. 29 municipal elections, “even China will shift in the direction of the DPP.” The TAO responded promptly to the latter remark by stating that Beijing’s opposition to Taiwan independence would never change.

This indication that Tsai does not anticipate any major shift in the DPP’s policy toward China was borne out by her treatment of a petition to “freeze” the “independence clause” in the party’s 1991 charter, which calls for the establishment of a “sovereign, independent, and self-determined Republic of Taiwan.” The authors of the petition claimed that the clause is outdated, unlikely to be achieved, and counter-productive. Freezing it would make the DPP more attractive both to Taiwan’s electorate and to Beijing, they argued.

Though Tsai said in early July that she would prefer to describe the DPP as “pro-Taiwan” rather than “pro-Taiwan independence,” she and most senior party officials do not favor a freeze. In an otherwise conciliatory speech at Fudan University in Shanghai on June 7, Tainan Mayor Lai Ching-te said that freezing the independence clause would not solve any fundamental issues. He asked his audience rhetorically whether they thought the DPP was responsible for society’s desire for independence. “Or was there first the idea of Taiwan independence, and then the DPP?” Following these remarks, the TAO said that Taiwan’s future must be decided by all
China’s people, including Taiwan compatriots. This drew a strong reaction from Taiwan, with Ma Ying-jeou, Tsai Ing-wen, and many others claiming that Taiwan’s future will be decided by its 23 million people.

When the petition came up for discussion at the DPP Congress on July 20, rather than formally rejecting it Tsai buried it by referring it to the party’s Central Executive Committee “for further study.” Her comments echoed statements she had made earlier in the summer, including that independence remains a fundamental goal of the party. In Beijing, a TAO spokesman said that freezing the independence clause would not satisfy China, as the Resolution on Taiwan’s Future is also a barrier to better relations with the DPP. He added that the DPP must abandon its position of “one country on each side of the strait” – a formula uttered by Chen Shui-bian in 2002, when Tsai was chairwoman of the Mainland Affairs Council.

“Greater One China Framework”

On May 27 in Taipei, a group of seven former senior officials and scholars from both Kuomintang (KMT) and DPP administrations presented a “Greater One China Framework” (大一中架構) for cross-strait relations. The proposal suggested five indivisible principles: 1) the current status quo should be respected and not changed unilaterally; 2) the status quo is that the Republic of China (ROC) and PRC currently operate as “governments with separate jurisdiction”; 3) older “one China” formulas are not accepted by Taiwan’s people and should be replaced with “Greater One China Framework”; 4) within this framework the ROC and PRC should form “an imperfect international legal personality”; and 5) both sides should end hostilities maintain peace, and the ROC and PRC would not “sign military pacts with other countries that may be prejudicial to the other side” and “shall have the right to join the United Nations and other international organizations and to establish normal relations with other countries.”

Those involved see this proposal as a contribution to a continuing effort to develop a cross-party consensus in Taiwan. Unfortunately, it did not evoke either significant support or sustained public interest. Nevertheless, the proposal is an important non-partisan attempt to move the discussion forward and circumvent the calcified thinking in Taiwan’s political parties and in the two governments. Moreover, the lack of domestic consensus is a major factor weakening Taiwan’s ability to deal with challenges from China that are only likely to increase as the relative power of the two sides shifts toward China.

While Taiwan’s parties fail to develop new approaches, the government seeks to institutionalize closer cross-strait ties, and the mainland continues to belittle Taiwan, a sense of exclusive Taiwan identity continues to grow. According to an important public opinion poll, commissioned by the MAC and conducted by the Election Study Center at National Chengchi University since 1992, in June this year 60.4 percent of respondents self-identified as “Taiwanese only,” a new high, as opposed to “Taiwanese and Chinese” (32.7 percent) and “Chinese only” (3.5 percent). Since President Ma was inaugurated in 2008, the “Taiwanese only” figure has increased steadily, passing 50 percent in 2009 and now at 60 percent. “Taiwanese and China” has decreased from 45.1 percent to 32.7. This trend indicates that policies or agreements that allow China to have a say in Taiwanese affairs will face growing resistance.
Arms sales issues

There has been little said publicly about current US arms sales. This is probably a positive sign that Washington and Taipei are working constructively together. House Armed Services Committee Chairman Howard McKeon led a delegation to Taipei and elsewhere in Asia. In Taipei, he met President Ma and agreed to support technology transfer for diesel submarine construction, a current focus of Taipei’s interest.

In August, there was a spate of confusing stories in Taipei concerning advanced aircraft. The stories seemed to confirm what has been apparent for some time—Taipei is no longer pressing for F-16C/Ds. On Aug. 11, Air Force Gen. Wang Hsuan-chou commented that what Taiwan needed was short/vertical take-off and landing aircraft with stealth technology. That is, something better than the F-16s. A Ministry of National Defense (MND) spokesman was quoted as saying that Taipei would eventually be interested in acquiring F-35s.

Regional economic integration

Taiwan gained rhetorical support for its push to eventually join the Trans-Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP). In mid-June, US Trade Representative Michael Froman acknowledged Taiwan’s interest in TPP, and a spokesman for Japan’s Ministry of Foreign Affairs said that Taiwan’s interest is a good thing and indicated that Japan welcomes it. Practical developments were a bit less positive for Taiwan. During Xi Jinping’s state visit to South Korea in early July, he and President Park Geun-hye committed to completing negotiations for a bilateral free trade agreement (FTA) by the end of the year. Korea is a direct economic competitor for Taiwan, and if a China-Korea FTA is implemented, significant diversion of trade away from Taiwan is likely—especially if cross-Strait agreements such as the STA and MTA are not concluded. Yu Zhengsheng said after Xi’s Korea visit that China can’t wait for Taiwan, and must move ahead with globalization. Tsai Ing-wen has acknowledged the importance of TPP and RCEP for Taiwan, but the DPP prefers to engage the world before China; the ruling party feels that Taiwan must go through China to secure international participation.

Hong Kong developments

On June 10, Beijing published a new white paper on the One Country Two Systems in Hong Kong, which made clear that Beijing intends to keep control of the nomination process for future chief executives in Hong Kong. What little comment there was on the white paper in Taiwan was uniformly negative across the political spectrum, reflecting the long-held view in Taiwan that Beijing is not abiding by its commitments to Hong Kong. However, the June 20-29 Occupy Central-organized civic referendum in Hong Kong on public nomination of candidates for chief executive and the July 1 pro-democracy rally in Hong Kong both garnered support from DPP and Sunflower Movement leaders, who believe that Hong Kong and Taiwan share a common interest in promoting democracy in the face of PRC pressures. When the National People’s Congress Standing Committee in Beijing formally decided on Aug. 30 that all nominations for
chief executive must come through the nominating committee, the MAC, along with others, expressed regret that Beijing was not providing Hong Kong true universal suffrage as promised.

**International developments**

Following China’s deployment of an oil drill in an area of the South China Sea claimed by Vietnam, riots in southern Vietnam damaged up to 200 Taiwan-owned factories, many of which employ Chinese managers and many of which were likely mistaken as Chinese-owned. The TAO suggested that it is the “common obligation of compatriots on the two sides” of the Taiwan Strait to defend China’s sovereignty and territory, but in Taipei both the MAC and the Ministry of Foreign Affairs quickly stated, as they have consistently, that Taiwan will not cooperate with China in this area. Taiwan continued to enhance its presence on Taiping Island, the largest of the Spratlys, making improvements to the port there. China has not protested this move or sought to bully Taiwan, as it might with other claimants. In May, a DPP official was reported to say that the DPP is exploring a position of shifting the basis of Taiwan’s claim in the South China Sea from the ROC’s expansive historical claims to one more in line with the UN Convention of the Law of the Sea; this adjusted claim would include Taiping Island, and an exclusive economic zone around it.

**Prospects for a Ma-Xi meeting?**

President Ma continued to frequently and publicly state that the November APEC Leaders Meeting in Beijing is the best venue for him to meet Xi Jinping. Although acknowledging Beijing’s opposition, in an interview in June he described the importance of China to Taiwan’s economy and said that “under such conditions, it should be natural for the leaders of the two areas (地區) to meet.” The TAO responded to each call by stating that a meeting can be discussed, but that holding it at an international venue such as APEC is not necessary. In late May, Tsai Ing-wen said that President Ma must explain his objectives in seeking a meeting and how it would benefit Taiwan. Ma has said that he would meet Xi only if it had public support and preserved Taiwan’s dignity. A public opinion poll released by Taiwan Indicators Survey Research in late June showed that public support for a Ma-Xi meeting has fallen dramatically since August 2013: 54.4 percent of respondents oppose a meeting before the end of Ma’s term (compared to 36 percent last year), while only 26.5 percent support the idea (compared to 43.2 percent).

**Looking ahead**

There is little chance the LY will make progress on cross-strait issues, particularly since Taiwan will be involved in the campaign for the local elections on Nov. 29. Nevertheless negotiations will continue on the exchange of SEF/ARATS offices and the MTA, the latter now scheduled for Sept. 10. The outcome of the local elections, widely expected to be a substantial victory for the DPP, will subsequently affect cross-strait relations in the year–plus before the presidential and LY elections in early 2016. The treatment of Taiwan’s representative to the APEC Leaders Meeting in Beijing in early November will be viewed as a barometer of China’s goodwill.
Chronology of China-Taiwan Relations
May – August 2014

May 6, 2014: People First Party (PFP) Chairman Soong Chu-yu visits China and meets CCP General Secretary Xi Jinping in Beijing.

May 11, 2014: Anti-China riots in Vietnam damage Taiwanese factories.


May 15, 2014: Taiwan’s Mainland Affairs Council (MAC) and Ministry of Foreign Affairs (MOFA) reiterate that they will not cooperate with China on the South China Sea (SCS).

May 18, 2014: Tsai Ing-wen comments on her policy, stresses quality over quantity.

May 18, 2014: Ministry of Economic Affairs (MOEA) Minister Chang Chia-juch meets Ministry of Commerce (MOC) Minister Gao Hucheng at an APEC meeting in Qingdao.

May 19, 2014: Taiwan Health Minister Chiu Wen-ta attends World Health Assembly.

May 22, 2014: Minister Chiu meets Beijing’s Health Vice Minister Wang Yumin at WHA.

May 25, 2014: Tsai Ing-wen is elected DPP chair.

May 26, 2014: Former Association for Relations Across the Taiwan Straits (ARATS) Chairman Chen Yunlin leads a delegation of artists to Taiwan.

May 27, 2014: Shih Ming-de and Su Chi release “Greater One China Framework.”

June 4, 2014: President Ma Ying-jeou urges the mainland to pursue political reforms, democracy, and rule of law.

June 7, 2014: Tainan Mayor Lai Ching-te visits Shanghai.

June 8, 2014: President Manuel Pinto da Costa of Sao Tome-Principe, a Republic of China (ROC) ally, visits China.


June 12, 2014: Taiwan Affairs Office (TAO) and MAC announce a return visit by TAO Minister Zhang Zhijun.
June 12, 2014: ARATS Deputy Director Sun Yafu meets Taiwan independence advocate Koo Kuan-min at Taiwan Brain Trust.

June 15, 2014: Yu Zhengsheng addresses Sixth Cross-Strait Economic and Culture Forum in Fujian.

June 16, 2014: Sao Tome-Principe presidential aide visits Taipei.

June 16, 2014: US Trade Representative Michael Froman lists Taiwan as a consultative partner to the Trans-Pacific Partnership (TPP).

June 17, 2014: Yu Zhengsheng meets retired generals from Taiwan in Beijing for Whampoa Anniversary.

June 18, 2014: Japan MOFA spokesman welcomes Taiwan’s interest in joining TPP.

June 22, 2014: Occupy Central informal referendum on democracy in Hong Kong.

June 24, 2014: DPP’s Chao Tien-lin announces party policy on TAO Minister Zhang visit.

June 25-28, 2014: TAO Minister Zhang Zhijun visits Taiwan. During the visit he meets MAC Minister Wang Yu-chi, New Taipei Mayor Chu Li-lun, Kaohsiung Mayor Chen Chu, and Taichung Mayor Jason Hu.


July 1, 2014: President Ma attends inauguration of Panama President Juan Carlos Varela.

July 1, 2014: Mass pro-democracy demonstration is held in Hong Kong.

July 2, 2014: President Ma visits El Salvador; meets US Secretary of State John Kerry.

July 2, 2014: Beijing’s Tourism Exchange Association opens its Kaohsiung office.

July 4, 2014: LY special session ends without consideration of oversight bill or STA.

July 9, 2014: Tsai Ing-wen is interviewed by Commonwealth Magazine; says China will adjust to DPP policy.

July 11, 2014: TAO reiterates that opposition to Taiwan independence will never change

July 15, 2014: Preparatory meeting for sixth Cross-Strait Economic Cooperation Committee (CSECC) meeting is held.
July 20, 2014: DPP Annual Congress is held.

July 21, 2014: TAO spokesman reacts strongly to DPP Congress.

Aug 5, 2014: East China Sea Peace Forum is held in Taipei.

Aug. 5, 2014: Sixth CSECC meeting is held in Beijing.

Aug. 6, 2014: Asia-Pacific Parliamentary Union meeting concludes in Taipei.

Aug. 7, 2014: Second LY special session adjourns without reviewing oversight bill or STA.

Aug. 7, 2014: Cross-strait search-and-rescue exercise is held near Matsu and Mawei.

Aug. 7, 2014: Rep. Howard McKeon visits Taipei and meets President Ma. He supports arms sales and is denied meetings with PRC senior officials the following week.

Aug. 16, 2014: MAC Deputy Chang Hsien-yao’s resignation is announced.

Aug. 19, 2014: PRC ambassador to Malaysia publicly opposes Malaysia entering into a free trade agreement (FTA) with Taipei.


Aug. 25, 2014: PRC surveillance aircraft intrude into Taiwan Air Defense Identification Zone (ADIZ) four times; PRC Ministry of Defense (MOD) later says flights were routine.

Aug. 25, 2014: ARATS Deputy Gong Qinggai arrives in Taiwan for a visit.


Aug. 30, 2014: SEF President Lin Join-sane meets ARATS Chairman Chen Deming in China.

Aug. 31, 2014: National People’s Congress (NPC) Standing Committee decides all nominations for the position of Hong Kong chief executive must come through the nominating committee for the elections in 2017.

Aug. 31, 2014: The MAC expresses regret over NPC decision.