

Introduction: Cross-Taiwan Straits Relations Since 1979

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The cross-Taiwan Straits issue is a major challenge that is facing decision makers on both sides of the Taiwan Straits today. While cross-Taiwan Straits relations before 1979 were antagonistic, confrontational and rigid without any contact between the two sides, decision making was relatively simplified for both Beijing and Taipei at the time. However, relations across the Taiwan Straits in general have gradually been relaxed since 1979 with expanding economic ties and rising non-governmental exchanges in various areas, and the cross-Taiwan Straits issue has become more complex as a result of dramatic changes in both mainland China and Taiwan as well as in the broader global and regional settings. Consequently, decision making has become increasingly complicated for political leaders across the Straits, imposing a huge challenge in their policy making regarding cross-Straits relations. The complexity of cross-Straits relations and policy making has been even

more evidenced since Ma Ying-jeou came into office in Taiwan on 20 May 2008.

As such, this volume is designed to provide a balanced examination of the evolution of cross-Taiwan Straits relations and policy adjustment across the Straits since 1979 from both Beijing's and Taipei's perspectives so as to provide a better understanding of the cross-Taiwan Straits issue for policy deliberation on both sides of the Taiwan Straits.

1. THE EVOLUTION OF CROSS-TAIWAN STRAITS RELATIONS AND POLICY ADJUSTMENT SINCE 1979

Cross-Taiwan Straits relations have undergone a dramatic transformation since the end of the 1970s as a result of substantial policy adjustment on both sides of the Taiwan Straits. After decades of hostility and antagonism without any contact or exchanges across the Taiwan Straits, Beijing and Taipei started to relax their respective cross-Straits policies in the late 1970s and early 1980s in response to domestic changes as well as changes in politics, security and economics in the East Asian region and beyond.

The post-Mao Chinese communist leadership first started to modify its Taiwan policy in 1979, switching from its previous policy of "liberation of Taiwan" to a new policy of "peaceful reunification of the motherland." Beijing's Taiwan policy adjustment occurred in the context of the economic reform initiated by Deng Xiaoping, and can be seen as part of the new orientation of the overall policy of the post-Mao Chinese communist leadership. As the new communist leaders identified modernization as the top priority of the nation, they moved away from Mao's ideology- and revolution-oriented policy and began to adopt new pragmatic policy measures that would help achieve the nation's primary objective of modernization. To pursue this objective, Beijing not only opened its economy to the outside world, but also strived to create a stable and favorable global and regional environment for its economic development. Beijing's adjustment of Taiwan policy, therefore, can be seen as being in support

of this new overall policy in the post-Mao era. Politically, a more reconciliatory Taiwan policy would help stabilize cross-Taiwan Straits relations and create a more stable regional environment. Economically, economic exchanges with Taiwan would be helpful in support of Beijing's opening-up policy. In a further analysis, post-Mao pragmatic Chinese leaders also recognized that the previous policy of "liberation of Taiwan" would no longer be in line with the reality of the time. It is important to note that Washington's switch of diplomatic recognition from Taipei to Beijing on 1 January 1979 also made Beijing more confident in dealing with Taiwan.¹ Under such circumstances, it was logical that the post-Mao communist leaders began to adopt a range of reconciliatory policies to relax cross-Straits relations and put forward a series of flexible proposals to Taipei, while at the same time continuing to exert political and military pressures on the island as a deterrence against its possible move toward independence.²

Beijing's adjustment of its Taiwan policy was later followed by Taipei, which began to relax the ban on commercial and cultural exchanges with mainland China in the mid-1980s, although it was required that these exchanges be conducted indirectly. In late 1987, Taipei lifted the ban for Taiwan's residents to visit their families and relatives in the mainland, while at the same time continuing to maintain the "three no's" policy (i.e. no negotiation, no contact and no compromise with the mainland). On 1 May 1991, the Kuomintang (KMT) government officially ended its hostility toward mainland China by terminating its 40-year-long martial law, the *Temporary Articles for the Period of Mobilization for the Suppression of the Communist Rebellion*. Like that of Beijing, Taipei's mainland policy adjustment occurred in the context of fundamental changes in both the domestic and external settings. Domestically, by the second half of the 1980s, the economic success had been accompanied by a rising sense of Taiwanese identity and a growing pressure for democracy on the island. In the meantime, with changed economic conditions on the island, particularly rising costs of labor and land, there was an urgent need for economic restructuring by moving upward into technologically more advanced and high-value-added industries and

service sectors while relocating the declining labor-intensive and low-value-added industries offshore so as to continue to maintain the competitiveness of the Taiwanese economy in the global competition. Externally, the end of the Cold War led to a relaxed atmosphere in international and regional relations as well as the rising importance of geo-economics. It was under such circumstances that the mainland's economic liberalization and opening up to the outside world provided a particularly good opportunity for Taiwan to establish economic ties with the mainland, not only to relax relations with the mainland but also to help Taiwan achieve its economic restructuring by relocating the declining industries from the island to the mainland.

As a consequence, policy adjustment on both sides of the Taiwan Straits led to a rapid expansion of economic ties, movement of people and a range of other exchanges across the Straits, which could hardly be imagined before the 1980s. It is particularly significant that, in order to handle economic, political, security and other issues derived from rising cross-Straits contact and exchanges, a semi-official liaison structure was established across the Straits. The Straits Exchange Foundation (SEF) was founded in Taiwan on 21 November 1990; this was followed by the Association for Relations Across the Taiwan Straits (ARATS), which was formed in the mainland on 16 December 1991. As a result, both sides entered into a period of positive (albeit semi-official, tacit and difficult) interactions.

In the process of adjustment of its mainland policy, Taipei's attitude toward cross-Straits relations in general and the "one China" concept in particular gradually changed. In 1991, the KMT government under Lee Teng-hui — who came into office in 1988 after the death of Chiang Ching-kuo — adopted the *Guidelines for National Unification* (GNU), the most important document of the KMT government regarding Taipei's mainland policy. The final objective of the GNU was the unification of China under the principles of freedom, democracy and equality in the distribution of social wealth. While pursuing unification with mainland China as the objective, the GNU emphasized the use of peaceful means rather than force, respect for the rights of Taiwanese people as a precondition of unification, and unification as a staged process without a timetable. By 1994, however,

Taipei formally dropped its long-time policy of competing with Beijing for the right to “represent China” in a policy document of the Mainland Affairs Council, “Explanations Regarding Relations Across the Taiwan Straits.” As a result, Taipei began to accept the concept of “two Chinas” or “one China one Taiwan” and cross-recognition of the Republic of China (ROC) and the People’s Republic of China (PRC).³ On 8 April 1995, Lee Teng-hui publicized his six-point statement, claiming (1) to pursue the unification of China on the basis of the reality that the country had been separated; (2) to promote cross-Straits exchanges on the basis of Chinese culture; (3) to promote economic exchanges and develop complementary economic relations; (4) to join international organizations jointly on the basis of equality; (5) to pursue unification through peaceful means by both sides; and (6) to jointly help maintain the prosperity of Hong Kong and Macao and promote democracy there by both sides. Finally, by 1999, Lee Teng-hui openly overturned the KMT’s long-time “one China” policy by claiming the ROC and the PRC as “special relations between two states.”⁴

The election of the Democratic Progressive Party (DPP)’s Chen Shui-bian to the presidency in 2000 changed Taipei’s mainland policy further. Despite his promise of “four no’s and one no” in his inauguration address,⁵ Chen Shui-bian openly identified cross-Straits relations as “one state on each side (of the Straits)” on 3 August 2002. In the meantime, the Chen Shui-bian administration adopted a range of policy measures to delink Taiwan from China. Consequently, cross-Straits relations further deteriorated. Not only did all semi-official contact between Beijing and Taipei through the ARATS and the SEF come to a complete halt, but there was also rising tension and hostility across the Taiwan Straits.

Facing such challenges from Taiwan’s pro-independence leaders, Beijing simply responded with escalating verbal criticism and warning of Taipei as well as increasing military pressure on Taiwan by strengthening its military presence across the Straits. In particular, Chen Shui-bian’s series of provocative policies and consequent escalating tensions across the Straits eventually led to Beijing’s introduction of the *Anti-Secession Law* on 14 March 2005, which formally legalized

the use of non-peaceful means in case of Taiwan's independence. Such a high-profile policy in response to Taiwan's pro-independence leaders triggered widespread resentment among the Taiwanese people against Beijing, which Chen Shui-bian quickly made full use of to bring political gains for himself and for the DPP. Largely because of Chen Shui-bian's brinkmanship policy in pushing Taiwan toward independence, Beijing lost all trust in Chen Shui-bian. Consequently, even though in his late years of presidency Chen Shui-bian showed some willingness to establish contact with Beijing, hoping to continue to manipulate domestic politics, Beijing simply ignored it.⁶

On the other hand, learning from its experience with Lee Teng-hui and Chen Shui-bian, Beijing seems to have gradually gained more understanding of the complexity of the cross-Taiwan Straits issue as well as the rising sense of Taiwanese identity of the Taiwanese people over time. This has forced Beijing to rethink its relations with Taiwan and continuously adjust its Taiwan policy. As early as 15 January 1997, Wang Daohan explicitly showed flexibility on several occasions regarding Beijing's "one China" concept, indicating that "one China" did not refer to either the PRC or the ROC, but rather to a China that was divided and subject to eventual unification.⁷ Later, the "one China" concept was further modified to mean that there was one China in the world: both the mainland and Taiwan belonged to one China, and China's sovereignty and territorial integrity could not be split.⁸ At the same time, Beijing also indicated that Beijing and Taipei were of equal status during negotiations and that everything could be put on the negotiation table under the "one China" principle, including the issue of the formal ending of hostility across the Straits, Taiwan's international space and the political status of Taiwan. After Hu Jintao came into office, Beijing moved to oppose Taiwan independence as the primary policy objective for the short term and directly appealed to Taiwanese people, adopting a series of favorable policies toward Taiwan.

It is important to note that, despite the rising political tension between Beijing and Taipei after the mid-1990s, the economic ties and other non-governmental exchanges across the Straits continued to expand, largely driven by the market forces and the forces of

globalization beyond the control of the government. Moreover, the expansion of economic, cultural and other non-political exchanges was deliberately used by Beijing as a strategic approach to tie the island to the mainland and pave the way for eventual national reunification across the Taiwan Straits.

It was against such a background of cross-Straits relations that, in early 2008, the KMT won an overwhelming victory in Taiwan's legislative and presidential elections, which showed, among other things, the desire of the majority of the Taiwanese people to establish and maintain stable relations with the mainland in the context of rising Chinese power and influence. Particularly, in the context of rising global competition, there was an urgent need to develop closer economic ties with a rising China so as to help the island survive the global competition and improve its competitiveness in the world economy. With a clear mandate from the Taiwanese people to pursue a new course of policy for the island, Ma Ying-jeou acted swiftly in moving toward a more stable relationship with the mainland soon after taking office on 20 May 2008, pledging to ease military tensions and forge closer economic ties with mainland China. Consequently, the inauguration of Ma Ying-jeou on 20 May 2008 dramatically changed the political environment on the island and across the Taiwan Straits.

As the KMT has a very different perception of cross-Taiwan Straits relations as compared with that of the DPP, Ma's taking of office has brought a significant impact on cross-Taiwan Straits relations. Specifically, as Ma Ying-jeou openly acknowledged the "one China" concept under the ROC Constitution after his inauguration, some preliminary political trust has therefore been re-established between Beijing and Taipei. Both sides immediately adjusted their policies toward each other and started a process of rapprochement that could hardly be imagined before 20 May 2008 under the DPP administration. As a result, semi-official talks between the chiefs of the ARATS and the SEF, Chen Yunlin and Chiang Pin-kung, were resumed on 12 June 2008 after a nine-year hiatus. The historic second round of Chen-Chiang talks in Taipei on 3–7 November 2008 was not only the first high-level talks held in Taiwan, but also the first

time ever that such a high-ranking Chinese official had visited Taiwan in 60 years. The third and fourth rounds of talks were respectively held in Nanjing on 26 April 2009 and in Taichung on 21–25 December 2009. Within just two years after Ma Ying-jeou took office, there was a rapid improvement in cross-Straits relations with high-profile achievements, with four rounds of talks leading to the signing of 12 agreements and one consensus that helped establish three links (direct postal, transportation and trade links), food safety, finance and other functional areas. After several rounds of negotiations, Beijing and Taipei finally signed the Economic Cooperation Framework Agreement (ECFA) on 29 June 2010.

2. CHALLENGES IN THE RECONFIGURATION OF CROSS-STRAITS RELATIONS

While cross-Straits relations have substantially stabilized and improved as a result of the inauguration of the Ma Ying-jeou administration, the fundamental problems in cross-Straits relations remain unchanged. As such, the two sides will face huge challenges ahead when moving forward in an attempt to establish an institutionalized relationship and achieve a political settlement across the Taiwan Straits in the coming years.

For Taiwan, despite Ma Ying-jeou's efforts to stabilize cross-Straits relations, the KMT government's mainland policy will inevitably face challenges from both inside the island as well as across the Straits. Internally, Taiwanese society is highly divided on the issue of cross-Straits relations. While the Blue Camp led by the KMT accepts the "one China" concept under the ROC Constitution, the pro-Taiwan independence Green Camp dominated by the DPP absolutely rejects the "one China" notion that would link Taiwan with the mainland. As Taiwan's democracy is still young and far from mature, such conflicting views on the island's status and future have frequently evolved into hostile and violent confrontations between the politicians and supporters of the two camps, and this has become a most divisive issue in Taiwan's politics and society. Under such circumstances, any move taken by the KMT government to improve

relations with the mainland would only bring violent responses from the opposition party, as is clearly illustrated by the violent protests organized by the DPP during the ARATS chief Chen Yunlin's two landmark visits to Taiwan on 3–7 November 2008 and 21–25 December 2009.⁹ Thus, cross-Straits relations are still subject to changes in Taiwan's domestic politics, and a change in government could bring substantial changes to Taipei's mainland policy.

On the other hand, while the KMT government insists on the sovereignty of Taiwan under the ROC Constitution, Beijing still seems to be reluctant to officially recognize the existence of the ROC for fear that this would be seen as the recognition of "two Chinas" or Taiwan's independence. As such, although Beijing explicitly claims that Taipei and Beijing are of equal status in negotiations on cross-Straits relations, Beijing is still far from prepared to make concessions on what Taipei cares most about, including the recognition of Taiwan as a sovereign state, its international space, the withdrawal of 1,500 or so Chinese missiles that are targeted at Taiwan across the Straits and so forth. Without clear commitment from Beijing to the settlement of these crucial issues for Taiwan, it is unlikely that the KMT government will be able to sell well its mainland China policy to the Taiwanese people.

In a further analysis, Taiwan's mainland policy, no matter which party is in office, would be inevitably constrained by both external and domestic conditions. On the one hand, the rising Chinese power and Beijing's zero tolerance of Taiwan's independence have clearly set a limit that any Taiwan independence policy could hardly move beyond, which is well explained by Chen Shui-bian's failed brinkmanship mainland China policy for the period 2000–08. On the other hand, however, a more reconciliatory policy toward the mainland that would possibly lead to closer relations (or even eventual unification) with the mainland would obviously be constrained by the strong resistance of the pro-independence political parties, which artfully manipulate a rising sense of Taiwanese identity. Under such circumstances, Taiwan's mainland policy will inevitably move between these two limits in the foreseeable future, that is, between the formal independence of the island on the one hand and the island's unification with the mainland on the other.

On the part of mainland China, whilst Chen Shui-bian's brinkmanship policy caused hostility and instability across the Taiwan Straits, it actually simplified Beijing's Taiwan policy to focus solely on anti-Taiwan independence. However, while Ma Ying-jeou's new reconciliatory mainland policy is providing opportunities for Beijing to develop a more stable relationship with Taiwan under what Beijing insists on as the "one China" principle, it has actually brought challenges for Beijing, assuming such a stable cross-Straits relationship is going to be based on equal status across the Straits as Beijing has promised. Beijing has to face the following three unavoidable issues regarding *respect*, *international space* and *security* that are so crucial for Taiwan in the eyes of the Taiwanese.

Firstly, while Ma Ying-jeou acknowledges the "one China" concept under the ROC Constitution, proposing that neither Beijing nor Taipei should at least reject the existence of the other, then what does Beijing's "one China" principle mean with respect to Taiwan's status, if Beijing continuously refuses to recognize the existence of the ROC? Obviously, while the 1992 Consensus of "one China with respective interpretations" is good enough to provide the minimum basis for starting talks across the Straits, the concept has to be clarified when negotiations on political relations between Beijing and Taipei eventually start. Beijing has to address the status of the ROC in some way sooner or later if a political settlement is to be finally achieved. Secondly, a related issue is how Beijing will allow Taiwan to have more international space in such international organizations as the World Health Organization (WHO), the International Monetary Fund (IMF), the United Nations (UN) and so forth, while the "one China" principle is still upheld. The third issue is when Beijing will be prepared to withdraw its 1,500 or so missiles that are targeted at the island from across the Straits, which put the Taiwanese under a constant sense of fear and being threatened.

It seems that there are policy debates going on within the decision-making body and think tanks in mainland China on how to effectively address the above issues and other related issues. While the policy adjustment is still under way, Beijing has already shown many signs of goodwill to the Ma Ying-jeou administration.

For example, the ARATS chief Chen Yunlin's visit to Taiwan in November 2008 and again in December 2009 was widely interpreted as Beijing's switch from "not recognizing" to "not negating" the existence of the ROC. It is also reported that, in response to Ma Ying-jeou's call for a diplomatic truce across the Straits, Beijing has politely rejected some Latin American countries that expressed an interest in switching diplomatic recognition from Taipei to Beijing. This could hardly be imagined before Ma's taking of office, when Beijing tried every means possible to lure Taiwan's diplomatic allies to switch to establish diplomatic relations with Beijing. One more example is that Beijing agreed to let Lien Chan, KMT Honorary Chairman and Taiwan's former Vice President, attend the Asia-Pacific Economic Cooperation (APEC) summit on behalf of Ma Ying-jeou for three consecutive years in 2008–10, whereas in the past Beijing was strongly opposed to any representative with a political background from Taiwan for such an occasion.

However, in showing its more reconciliatory posture toward the Ma Ying-jeou administration, Beijing clearly seems to be in a dilemma in the sense that it is still not sure of what might happen after Ma's presidency. What concerns Beijing the most is that, if it were to make formal concessions on all of these substantial and other issues to Ma Ying-jeou's government, they could hardly be taken back if a pro-independence DPP government comes back after Ma and pushes the island toward independence again. With such a fear, Beijing is currently still very cautious in making more concessions. Even if Beijing has to make some concessions after deliberation, it seems to prefer an informal arrangement rather than a formal commitment so as to make it more flexible in case the political environment is reversed in Taiwan after Ma Ying-jeou's presidency ends.

While cross-Straits relations have stabilized since Ma Ying-jeou took office in May 2008, it is no easy job to find a prescription for the cross-Taiwan Straits issue, given the complexity of the issue and the conflicting interests involved on both sides of the Straits. For Taiwan, starting from Japan's annexation of the island in 1895 and continuing with the separation of the island from the mainland as a result of the

civil war in 1946–49, Taiwan has developed independently from the mainland for more than a century and has gradually evolved into a quite different society from that of the mainland. The result is the emergence and development of a sense of Taiwanese identity among the majority of the island's population over time, although they continue to share the same cultural heritage with the Chinese in the mainland. Consequently, once politics became liberalized after 1986, there was a rising force on the island that promoted Taiwanese identity and independence. The election of the pro-independence DPP leader Chen Shui-bian to the presidency in 2000 reflected such a rising sense of Taiwanese identity and a decreasing enthusiasm for unification with the mainland.

But for Beijing, the Taiwan issue is regarded as representing China's core national interests, not only because it involves such important issues of state sovereignty and territorial integrity that Beijing still values so highly, but also because it touches the very nerve of the Chinese nation. With a continuing bitter memory of humiliation by Western and Japanese imperialist powers from the Opium War in the 19th century through the first half of the 20th century, the Taiwan issue has become a matter of national honor and pride for the Chinese people. Due to this strong nationalist feeling and deep traditional sense of national unity, Beijing could hardly afford the loss of Taiwan on its hands; rather, it has become a source of legitimacy for the Chinese government. As such, mainland China's relations with Taiwan are always top on Beijing's national policy agenda, with zero tolerance of Taiwan independence.

The conflict in perceived interests between the two sides aside, an equally insurmountable obstacle is the difference in political systems across the Straits, which further complicates cross-Straits relations with respect to the future direction. Probably because of this huge obstacle, Beijing has offered a so-called "one country, two systems" formula for Taiwan, under which Taiwan would enjoy substantial autonomy in a unified China; this would include keeping its own military forces and political system, among other things. Moreover, Beijing has even hinted that if Taipei agrees to negotiate under the "one China" principle, everything could be put on the

table for negotiation, including the official name for a unified China, the national flag, the national anthem and so forth.¹⁰ However, Beijing's "one country, two systems" formula has been rejected by Taiwan for fear that, under such unification, the island would be absorbed by the mainland and Taiwan would become a "region" of China (like Hong Kong).

Probably because of the difficulty in compromising over the above key issues in cross-Straits relations, there seems to be a consensus between Beijing and Taipei that at the current stage they are focusing on dealing with less sensitive cross-Straits economic issues and other non-political issues to establish and expand formal economic ties and other non-governmental links. Once the conditions are ready, they will move on to more sensitive political issues. The policy of peaceful development across the Taiwan Straits that Beijing is currently pursuing clearly follows this line of thinking. This approach seems to be in line with the ideas of integration theory, which was first constructed on the basis of the experience of European integration. According to integration theory, functional cooperation among regional players, without the final objective being first identified, would automatically bring spillover effects from one functional area after the other and eventually into politically sensitive areas.¹¹

For such an approach to work, it is essential not only to cultivate "a common fate" between the two sides of the Straits, as George W. Tsai aptly suggests in Chapter 5 of this volume, but also to make sure that the Taiwanese people as well as political parties will become a true stakeholder and have a real voice in whatever form of future political arrangement that involves the mainland and the island. This would help the Taiwanese overcome the deep-rooted psychological feeling of being absorbed by the mainland, given the huge gap in capacities between the two sides. It is in this sense that the process of moving toward such a political arrangement across the Taiwan Straits will eventually occur alongside the process of democratization in the mainland, with the two processes dynamically reinforcing each other along the way.

Obviously, a peaceful win-win settlement of the complex Taiwan issue requires the wisdom as well as imagination of the political leaders and their advisors on both sides of the Taiwan Straits.

3. THE ORGANIZATION OF THE BOOK

In order to help better understand the complex cross-Taiwan Straits issue, this volume attempts to provide a balanced discussion of cross-Taiwan Straits relations and policy adjustment from the perspectives of both Beijing and Taipei. As such, three scholars from each side of the Taiwan Straits respectively address cross-Straits relations and policy adjustment since 1979 on both sides of the Taiwan Straits. In the meantime, two scholars in North America explore the institutional aspect of cross-Straits relations and policy making in both mainland China and Taiwan.

It is important to point out, however, that while the contributions of the scholars from both mainland China and Taiwan in this volume are respectively grouped under the two parts on cross-Taiwan Straits relations from Beijing's perspective and from Taiwan's perspective, there is indeed no unified perspective on cross-Straits relations in either mainland China or Taiwan. There are different views among mainland Chinese politicians and scholars on what should be a more effective approach that could be adopted to achieve their shared objective of national reunification. As for Taiwan, the different views of politicians and scholars, particularly between the Blue Camp and the Green Camp, are more about the fundamental issues of how to define Taiwan's relations with mainland China and the future direction of Taiwan. Thus, the views of the scholars in this volume can only be seen as representing some of the important voices on both the mainland and the island with respect to cross-Straits relations and policies.

Moreover, this work examines cross-Straits relations primarily from the perspectives of both sides of the Taiwan Straits, but the cross-Taiwan Straits issue is far from a simple issue that is subject only to the policies of Beijing and Taipei. External players are also influential on

the cross-Taiwan Straits issue in varying degrees. In particular, as a sole global superpower that has vested strategic and other interests in the region, the US has been the single most significant external player that frequently influences the direction of cross-Straits relations. President Obama's decision to sell US\$6.4 billion worth of military equipment to Taiwan is a most recent example.¹² While the American factor is consistently lingering over cross-Straits relations, this work primarily focuses on how Beijing and Taipei have been pursuing their respective cross-Straits policies as the parties that are directly involved in the issue (albeit in the global context of the US influence). Obviously, while Taiwan prefers to see the continuing involvement of external players — especially the US — in cross-Taiwan Straits relations, Beijing does not. From the perspective of pure power politics, a smaller and weaker player usually likes to invite external forces into the game so as to strengthen its bargaining position *vis-à-vis* a bigger player, whereas a bigger and stronger player would be in a better position to dominate the process of bargaining if it is dealing with a smaller player on a bilateral basis. As such, the promotion of internationalization of the cross-Taiwan Straits issue is inevitably an important policy measure for Taiwan, which could be used to help strengthen its position in dealing with mainland China.¹³

With these thoughts in mind, the book, after this introductory chapter, is organized into three parts. Part I contains three chapters, contributed by three scholars from mainland China, that address cross-Straits relations from Beijing's perspective. Chapter 2 by Yan Anlin explores Beijing's Taiwan policy adjustment since 1979 in the context of changing conditions across the Taiwan Straits and the international environment. Yan not only clearly explains Beijing's view on cross-Taiwan Straits relations, but also provides a detailed examination of how Beijing's Taiwan policy has evolved since early 1979 in response to the changing conditions across the Straits.

Chapter 3 by Sun Shengliang examines economic relations across the Taiwan Straits and Beijing's policy adjustment. Sun argues that growing economic ties across the Taiwan Straits have been the most dynamic element in cross-Straits relations, playing the role of a

“locomotive” in the development of overall cross-Straits relations. Sun also notes that, while rising cross-Straits economic ties have largely been driven by economic forces, they are also the result of a deliberate policy adopted by Beijing to help pave the way for eventual peaceful reunification across the Straits.

Chapter 4 by Yang Jian examines non-governmental exchanges across the Taiwan Straits and Beijing’s policy since the 1980s. According to Yang, despite the political deadlock in cross-Straits relations, there has been a rapid expansion of non-governmental exchanges across the Straits since the 1980s. Yang argues that expanding flows of personnel and production factors across the Straits have helped enhance stability and peace in cross-Straits relations, and have been seen by Beijing as very important for helping to create favorable conditions and pave the way for eventual national reunification. As such, Beijing has adopted a range of policy measures to promote the expansion of non-governmental exchanges across the Straits since 1979.

The three chapters by three scholars from Taiwan in Part II address cross-Taiwan Straits relations from Taipei’s perspective. Chapter 5 by George W. Tsai provides a comprehensive examination of cross-Straits relations since 1949, with a focus on the period since Ma Ying-jeou took office of the ROC presidency on 20 May 2008. The chapter specifically explores Ma’s adjustment of Taipei’s mainland policy and its prospects. According to Tsai, although Taipei and Beijing have greatly improved their relations since Ma came into office, there are still huge difficulties and problems at various levels that are influencing the future direction of cross-Straits relations, of which domestic political development on the island is most decisive and most unpredictable. Consequently, the road ahead will inevitably be bumpy for Taipei and Beijing in the coming years, given that a number of major conflicting forces are pushing cross-Straits relations into two opposite directions.

Chapter 6 by Liou To-hai examines the growing economic integration across the Taiwan Straits. According to Liou, the intimate economic relations have dramatically transformed Taiwan politics from an anti-China sentiment to engaging with China. The

election of Ma Ying-jeou as Taiwan's President in March 2008 is a salient example of this transformation. As a result, unlike the previous administration, the Ma Ying-jeou administration regards mainland China policy as the first priority (ahead of overall foreign policy) and has actively improved its relations with Beijing, especially economic relations. In particular, the chapter intensively analyzes the Economic Cooperation Framework Agreement (ECFA) and explains why the ECFA is so important for Taiwan. On the basis of the discussion of the ECFA, Liou provides a number of policy recommendations.

In Chapter 7, Lee Ming examines the diplomatic aspect of cross-Taiwan Straits relations with a focus on Ma Ying-jeou's policy of diplomatic truce, an issue that is particularly important for Taiwan in Taipei's eyes. The chapter explains how Taipei and Beijing have long been involved in diplomatic competition, as international recognition is seen by both sides of the Straits as a sign of legitimacy of their respective states. As such, this has long been seen as a zero-sum competition. In the context of overall improvement of cross-Straits relations after Ma Ying-jeou came into office, however, Ma's diplomatic truce proposal seems to have received a positive response from Beijing (albeit in a tacit fashion).

Part III contains two chapters that respectively examine the institutional structure of decision making on both sides of the Taiwan Straits. Chapter 8 by Kevin G. Cai examines the evolution of the institutional structure of Beijing's Taiwan policy making since the late 1970s. The chapter explains the background of Beijing's Taiwan policy adjustment and the gradual construction of an institutional structure of policy making in support of its new Taiwan policy, which has become increasingly institutionalized, bureaucratic, pragmatic and professional-based. This organizational change has in turn led Beijing's Taiwan policy to be more pragmatic, predictable and responsive to the new circumstances, although Beijing's decision-making process is still far from transparent.

Chapter 9 by Vincent Wei-cheng Wang examines the evolution of the institutional structure of Taipei's mainland policy making

since the 1980s. According to Wang, as Taipei began to change its previous defensive policy regarding the mainland in the late 1980s, a new institutional structure of mainland policy making and implementation was gradually established in response to the changing conditions of cross-Straits relations. In particular, Wang pinpoints that compared to Beijing's Taiwan policy-making structure, which is dominated by the Chinese Communist Party (CCP) and is guided by a clear and unwavering objective of unification, Taiwan's mainland policy-making structure works satisfactorily at the working level but suffers from a lack of bipartisan consensus at the strategic level with respect to the country's future relationship with the mainland. Despite that, however, the author argues that Taipei's mainland policy is now more realistic and pragmatic.