

## Introduction

The Taiwan issue, as the Chinese often say, is a problem left over from the Chinese Civil War (1946–49), a conflict between the Chinese Communist Party and the Kuomintang (KMT), or Chinese Nationalist Party. On October 1, 1949, Mao Zedong proclaimed the establishment of the People's Republic of China (PRC) in Beijing, amid the total collapse of Chiang Kai-shek's Republic of China (ROC) on the Chinese mainland. Fleeing offshore to Taiwan, which the ROC recovered from Japan in August 1945, Chiang and his KMT regime were widely considered doomed, but the outbreak of the Korean War in June 1950 prompted the United States to neutralize the Taiwan Strait, preempting a Chinese Communist Party (CCP) takeover. From then on, the Taiwan issue has been a thorn in the side of Beijing, which considers the ROC on Taiwan as a potential threat to China's sovereignty and territorial integrity.

Because the U.S. presence in the Taiwan Strait rendered the CCP's goal of "liberating Taiwan" a virtual impossibility, the foremost task of China's Taiwan policy was — and still is — not necessarily to bring the island back into the "embrace of the motherland" but to prevent Taiwan from becoming independent of China, a more immediate and urgent challenge. Since then, four generations of Chinese leadership (headed in turn by Mao Zedong, Deng Xiaoping, Jiang Zemin, and Hu Jintao), while retaining reunification as the ultimate objective, have concentrated on preserving

Taiwan's de jure inseparability from China despite the protracted de facto separation between the two sides of the Taiwan Strait.

In striving to keep Taiwan a legal part of China, Beijing has cast a wary eye on two archenemies — the separatist forces on the island and the “foreign forces” supporting independence for Taiwan. From Beijing's perspective, the latter pose a far greater threat, because the Taiwan separatist movement could hardly prevail without international support. Thus, ironically, while Beijing persists in referring to the Taiwan issue as an internal Chinese matter, international politics — especially the inalienable U.S. factor in cross-strait affairs and its implications for overall Sino–American relations — has always weighed heavily in the making of China's Taiwan policy. Today, the Taiwan issue still entails China's perceived core interests. This is not just because, as Beijing insists, it matters about China's “national sovereignty and territory integrity.” More important, as China ascends to the status of global power, Beijing's approach toward Taiwan constitutes a major test of whether a rising China will become a “responsible stakeholder” in the international community or a source of regional and global tension.<sup>1</sup>

However, despite the significance of the Taiwan issue and the abundant literature related to it, one can hardly find a comprehensive and thorough study of China's Taiwan policy, although recent works by scholars like Alan Romberg and Richard Bush have shed considerable light on the U.S. perspective on the Taiwan issue.<sup>2</sup> More often than not, outside observers have been puzzled and confused by Beijing's zigzagging on the Taiwan issue:

- from Mao Zedong's brinkmanship in the two Taiwan Strait crises of the 1950s to his claim in 1973 that China could wait a hundred years for the resolution of the Taiwan issue,
- from Deng Xiaoping's refusal to renounce the use of force against Taiwan to his formulation of Beijing's “fundamental policy” of striving for peaceful reunification,
- from Jiang Zemin's conciliatory eight-point proposal in January 1995, to the sound and fury of the 1995–96 Taiwan Strait crisis, to Jiang's cryptic mention in June 1998 of a “timetable” for the resolution of the Taiwan issue, to Premier Zhu Rongji's stern warning in March 2000 of the possibility of war,

- finally, from the adoption of the Anti-Secession Law (ASL) in 2005 to Hu Jintao's emphatic commitment to "peace, stability, and development" in cross-strait relations.

Because of the opacity of China's political system and the secretiveness that surrounds Beijing's policymaking, outside observers have often been uncertain of the motivations of Chinese leaders in assessing the Taiwan situation, of how they calculate the pros and cons of a policy, and of the stages involved in the decision-making process.

This study hopes to provide a systematic and in-depth analysis of the evolution of China's Taiwan policy over the past six decades, against the backdrop of a three-player game involving Beijing, Washington, and Taipei. The aim is to show that despite Beijing's uncompromising adherence to the one-China principle, the Chinese leadership has maintained remarkable flexibility in interpreting and implementing it. Moreover, while domestic factors (for example, nationalistic sentiment, internal elite power struggles, sociopolitical stability, and economic development) do affect Beijing's calculus, China's Taiwan policy invariably accords with the ups and downs in its international environment, especially the complexities of Sino–America relations. To be sure, Beijing has always abhorred the internationalization of the Taiwan issue. But essentially, it is China's growing integration into the international system, especially since the early 1990s, and its consequent deepening interdependence with the outside world that have enhanced the international dimension of China's policymaking with regard to Taiwan.

Today, while continuing to emphasize the domestic character of the Taiwan issue, Beijing has evinced a keener interest in developing some degree of coordination and even cooperation with the international community (primarily the United States) in maintaining peace and stability in the Taiwan Strait, the prospects for which are intertwined with the prospects of sustained peace, stability, and prosperity in China and the entire Asia-Pacific region. In other words, China's Taiwan policy is no longer made to address the problems of cross-strait relations *per se* but to promote regional stability and prosperity, which are essential to China's development, as well as to promote Beijing's strategic interests in the international system, in which China is now urged to be a "responsible stakeholder." This new direction in China's Taiwan policy is

an integral part of the grand strategy of “peaceful development” adopted by the current Chinese leadership, headed by President Hu Jintao. One of the cardinal goals of that strategy is to secure a peaceful external environment, especially in the Asia-Pacific region, for China’s further development.<sup>3</sup>

In that regard, Beijing has come a long way. As examined later in this volume, when China and the United States normalized diplomatic relations in January 1979, they established a strategic framework for managing the Taiwan issue based on the long-standing “one-China context,” which meant foremost that the Chinese on both sides of the Taiwan Strait had agreed since 1950 that there was only one China and that Taiwan was part of China. Under this strategic framework, Washington had to accommodate Beijing’s unyielding insistence on the one-China principle by adopting the U.S. one-China policy, to which seven U.S. administrations have adhered since normalization of U.S.–China relations. This policy, however, required the United States to recognize the PRC as the sole legal government of China and to withdraw its recognition of the ROC as a Chinese government in its own right, further complicating Taiwan’s legal status. Under the circumstances, most decisionmakers in both Beijing and Washington appeared to believe that “Taiwan [would] just go away quietly.”<sup>4</sup> Indeed, few expected then that the Taiwan issue would later become, in Beijing’s usual description, “the most critical and sensitive issue”<sup>5</sup> — or, as former deputy secretary of state Richard Armitage more vividly put it, “probably the biggest landmine”<sup>6</sup> — in U.S.–China relations.

In retrospect, the reemergence of the Taiwan issue was largely a reflection of the relative positions of Taiwan and China on the international stage in the late 1980s and early 1990s: Taiwan was “up,” and China was “down.” Taiwan’s success in modernizing its economy and democratizing its political system raised its international prestige to unprecedented heights and revived among indigenous Taiwanese a distinctive if long-suppressed “Taiwan” — as opposed to “Chinese” — identity. China, on the other hand, was grappling with an unfavorable and even perilous international environment resulting from such momentous crises as the 1989 Tiananmen Square tragedy, the collapse of the Soviet Union, and the end of the cold war. Moreover, this critical transitional period in cross-strait relations coincided with the ongoing power transfer on Mainland from the

revolutionary veterans, headed by Deng Xiaoping, to the so-called “third-generation leadership,” with Jiang Zemin at its center.

Technocrats by training, Jiang and his colleagues had neither adequate experience in international and military affairs nor the political capital necessary to make radical policy readjustments in the face of the political difficulties China experienced from 1989 to 1993. As a result, preoccupied with multiplying domestic and international challenges, Beijing lost the initiative in managing the Taiwan issue and tended to react with intense anxiety to perceived threats to China’s sovereignty and territorial integrity. As detailed in this book, Taipei’s unremitting challenge to Beijing’s one-China principle in international affairs and Beijing’s ineptness in handling that challenge resulted in some highly volatile and even explosive developments over the last decade of the twentieth century: from the conciliatory 1992 Consensus to the 1995–96 missile crisis; from Lee Teng-hui’s statement regarding a “special state-to-state relationship” in July 1999 to Beijing’s second Taiwan policy white paper of February 2000; and from Chen Shui-bian’s “one state on each side” remarks in August 2002 to Beijing’s adoption of the Anti-Secession Law in March 2005.

However, as China’s fourth-generation leadership, headed by President Hu Jintao, came to power in 2002, an increasingly confident Beijing began to retake the initiative in managing the Taiwan issue. Fundamentally, the shift reflected the reversal since the late 1990s of Taiwan’s and China’s earlier positions on the international stage. That is, in contrast to China, which had experienced a rapid rise and growing integration into the international system (especially in the Asia-Pacific region), Taiwan, through its relentless and sometimes reckless attempts to “push the envelope” by edging toward *de jure* independence under President Chen Shui-bian, appeared to be a destabilizing “troublemaker” in the eyes of the international community. Moreover, such attempts directly challenged the principal requirement of U.S. Taiwan policy, which was to keep either side from trying to provoke the other or change the status quo through unilateral actions. Ironically, Taipei’s provocations, while causing growing anxiety and frustration in Washington, prompted Beijing to shift its Taiwan policy priorities from “pushing for reunification” (促统) to “preventing Taiwan independence” (反独), thereby achieving the twin purposes of seizing the moral high

ground as preserver of the status quo and maximizing China's strategic common ground with Washington on the Taiwan issue.

Hence, under Hu Jintao the current leadership has cleared the way for a profound metamorphosis of China's Taiwan policy since the 1950s. With increasing confidence that time is on its side, Beijing has adopted an approach that, while remaining uncompromising on China's de jure indivisibility, leaves the door open to the peaceful and mutually beneficial coexistence of the two sides of the Taiwan Strait for the foreseeable future. As discussed later, for all its continuous warnings against Taiwan separatism, Beijing has extended to Taiwan a visibly expanded variety of economic and political incentives to promote socio-economic exchanges and cooperation in order to drag Taiwan deeper into China's orbit through socio-economic integration instead of political and military coercion. It has redefined the option of using force, or "non-peaceful means," to resolve the sovereignty issue: the use of force is now viewed as an ultimate deterrent to prevent Taiwan from achieving de jure independence instead of a proactive way to achieve reunification. In managing cross-strait relations, it has given precedence to "peace, stability, and development" over the long-trumpeted goal of reunification.<sup>7</sup> Indeed, the remarkable changes in the slogans used to describe China's Taiwan policy may make the point best, from Mao's "liberating Taiwan," to Deng's "striving for peaceful reunification," to Jiang's "striving for the early accomplishment of the motherland's reunification," to Hu's "striving for the *prospect* of peaceful reunification."

Essentially, since late 2003, this pro-status quo approach has anchored China's Taiwan policy. According to Beijing's much-needed flexibility to manage the Taiwan issue in a changing era, this approach first appeared in Beijing's *May 17 Statement* in 2004, and it was legally enshrined by the ASL in March 2005. It has enabled Beijing to isolate the pro-independence fundamentalists and strike a chord with the majority of people on Taiwan, who have consistently stood for maintenance of the status quo and opposed either "hasty reunification" or "hasty independence." It has enabled Beijing to enlist the international community in restraining the Taiwan separatist movement, whose escalating provocations have jeopardized vital international interests in the region. Finally, to a large extent it has enabled Beijing and Washington to enter into a sort of de facto co-management of the status quo in the Taiwan Strait — though neither has

ever admitted it — since, as Hu Jintao emphasized to President Bush in April 2006, “China and the United States share *common strategic interests* in opposing and curbing Taiwan independence and maintaining peace and stability in the Taiwan Strait.”<sup>8</sup>

Although it has taken Beijing over five decades to reach this stage, the findings in this volume demonstrate that the last four generations of Chinese leadership have maintained a compelling consensus on the importance of caution and patience in addressing the Taiwan issue despite the marked differences in the leaders’ background, experience, and outlook. Although different opinions conceivably may exist among the CCP elite, more often than not these differences are differences of degree rather than of kind, reflecting the complexity of the Taiwan issue rather than any serious policy disputes. This remarkable policy consensus mirrors the fact that owing to the sensitivity and seriousness of the issue, since 1950 the relevant policymaking process has always been highly centralized and tightly monitored by the highest echelons of the Chinese government. When decisions are made behind the scenes by only a few top leaders, consensus can be more easily maintained and insulated from factional politics.<sup>9</sup>

Moreover, this study shows that contrary to the conventional wisdom that the military has often driven China’s Taiwan policy toward a hard-line posture, the military chiefs of the People’s Liberation Army (PLA) have proven at least as cautious as their civilian counterparts, for they recognize better than anyone the relative weakness of the Chinese vis-à-vis the U.S. military. Indeed, even under Jiang Zemin and Hu Jintao, both of whom were civilians with no prior military experience, the PLA has always adhered to the CCP tradition that “the party commands the gun,” partly owing to Jiang’s successful efforts since 1993 to legalize and institutionalize the CCP’s control over the military. As a result, the PLA has always appeared to be the implementer of the party’s commands, rather than vice versa, in peace or war.<sup>10</sup> Likewise, ideological considerations, even during the heyday of Mao’s revolutionary radicalism, exerted only minimal influence on the actual design and implementation of China’s Taiwan policy.

This book is divided into eight chapters, with each of the four distinct periods in the evolution of China’s Taiwan policy — under Mao, Deng, Jiang, and Hu — taking up two chapters. Chapters 1 and 2 trace the origins of the Taiwan issue to the initial phases of the cold war, illustrating

the complex patterns of convergence and divergence of calculations, interests, and motivations among Beijing, Taipei, and Washington in managing the issue. In the two Taiwan Strait crises that occurred in the 1950s, Beijing tried to keep the Nationalists involved in but the United States out of Taiwan affairs. That strategy was based on the shared CCP-KMT determination to keep Taiwan within China, and its aim was to drive a wedge between Taipei and Washington whenever possible while working out a *de facto* modus vivendi with the KMT in order to maintain China's *de jure* sovereignty over Taiwan despite the perceived "U.S. scheme" to perpetuate cross-strait separation. Meanwhile, however, Beijing was not dead set against U.S. involvement in the Taiwan issue and, when necessary (as in the 1962 crisis), did not hesitate to seek accommodation with Washington in containing Taipei's adventurism and stabilizing the status quo. Hence, while insisting that the Taiwan issue was an internal Chinese matter, China's Taiwan policy was to demonstrate a growing international aspect in the ensuing decades.

Chapters 3 and 4 detail how Beijing and Washington established the one-China strategic framework upon normalization of U.S.–PRC relations in 1979. The strategic framework, however, had an innate flaw in that it de-recognized the ROC but refused to affirm China's sovereignty over Taiwan, thereby leaving the island in political limbo. It also concealed a vital difference between Beijing's and Washington's perceptions of whether the peaceful resolution of the Taiwan issue is, as in China's view, just a means to the end of reunification or, from the U.S. perspective, an end in itself. Deng's formula of "one country, two systems" as a solution to the Taiwan issue was unacceptable to Taipei, which had always insisted on its status as a sovereign Chinese government on its own, and Beijing found — and still finds — it infinitely difficult to induce Washington to wash its hands of this "internal Chinese issue." Still, believing that an increasingly powerful and prosperous China would achieve eventual reunification without war, Deng devised China's "fundamental policy" of peaceful reunification, which also reflected Beijing's acknowledgement of the U.S. "abiding interest" in a peaceful settlement of the Taiwan issue. As a result, China has to date taken a gradual, step-by-step approach aimed at promoting cross-strait exchange and interdependence in order to strengthen Taiwan's association with China. In December 1992, the

two sides of the Taiwan Strait reached the historic 1992 Consensus — there is but one China, with different interpretations [by the two sides of the Taiwan Strait]. Thereafter, while remaining unyielding in its refusal to recognize the ROC as a separate sovereign nation, Beijing exhibited a growing willingness to acknowledge Taipei's intra-China equality.

Chapters 5 and 6 reveal how, under Jiang Zemin, China's third-generation leadership adhered to Deng's grand strategy, which emphasized development as China's fundamental priority and hence required a stable and constructive Sino-American relationship. During that period, the widening gap between Beijing and Taipei in defining "one China" led to growing tensions and hostility between the two sides over the fundamental issue of sovereignty. However, Beijing under Jiang made a remarkable effort to accommodate Taipei's demands for cross-strait parity by broadening the interpretation of the one-China principle (i.e., Beijing ceased to emphasize that the PRC is the sole legal government in cross-strait relations and agreed to conduct cross-strait dialogue with equal footing). More important, Beijing endeavored to seek coordination and collaboration with Washington on the Taiwan issue. While those changes fell short of resolving the inherent contradiction between the intranational and international dimensions of Beijing's approach toward Taiwan (that is, that it acknowledged Taipei's intra-China equality but refused to recognize the ROC internationally), they nevertheless created some common ground for China and the United States in handling the Taiwan situation and maintaining the strategic framework. The "five-noes" pledge made by Chen Shui-bian in May 2000 reflected a preemptive effort by Beijing and Washington to shore up the one-China context, which was in serious danger of collapse after Chen's pro-independence Democratic Progressive Party (DPP) came to power in Taiwan.

Chapters 7 and 8 consider the peaceful development strategy of the current Chinese leadership under Hu Jintao, which advocates China's constructive integration into the international system and the maintenance of a stable relationship and the avoidance of confrontations with other major powers, particularly the United States. Against that backdrop, Hu Jintao has adopted a pro-status-quo approach toward Taiwan. While resolutely opposing Taiwan's independence, Beijing has tacitly relegated the goal of reunification to the presumably distant future. Instead, it has pledged to

strive for “peace, stability, development” in cross-strait relations under the one-China principle, which implies that Taiwan can maintain its separate, secure, prosperous, and intranationally equal existence alongside the mainland for a long period of time. Fundamentally, this new policy approach reflects not only Beijing’s continued commitment to development as China’s fundamental priority, but also China’s growing status as an important stakeholder in the international system, with an enormous and rapidly expanding interest in the maintenance of global peace, stability, and prosperity. This pro-status-quo approach toward Taiwan represents a strategic imperative for the foreseeable future rather than a temporary expedient. Its essential goal is to establish a one-China framework — despite its broadened definition that both sides of the Taiwan Strait belong to one and the same China — in cross-strait relations, within which, as Beijing expects, the promoting of cross-strait socio-economic integration would irrevocably entrap Taiwan into China orbit.

Nevertheless, formidable challenges lie ahead, and it remains to be seen whether this new approach can help to resolve the long-standing and fundamental issue of sovereignty in cross-strait relations or to work out an enduring modus vivendi to ensure sustained peace and prosperity across the Taiwan Strait within the one-China context. As China pledges to uphold “peace, openness, cooperation, harmony, and win-win solutions” as its core “ideals, principles, and pursuits,” how Beijing manages the Taiwan issue will be viewed by the outside world as the primary proof of the sustainability of China’s professed “path of peaceful development.”<sup>11</sup> In order to manage and eventually resolve the Taiwan issue creatively and constructively, China needs not only to seek further communication, consultation, and cooperation with the international community, but, more important, to continuously and vigorously promote cross-strait reconciliation — which began in the spring of 2005, symbolized by the CCP-KMT rapprochement after a half-century of enmity, and substantially reinforced by recent breakthroughs after Ma Ying-jiou was elected the ROC President in March 2008. Ultimately, only when the two sides of the Taiwan Strait truly join hands in forming a “community of common destiny,” can Taiwan be kept perpetually inseparable from China.<sup>12</sup>