Cross-Strait Relations in the Aftermath of the Election of Chen Shui-bian

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The Republic of China (ROC or Taiwan) enters the new millennium as an economic powerhouse and one of the world’s fledgling democracies. In fact, Taiwan is now described officially by the U.S. Department of State as a “multi-party democracy.” In March 2000, the island elected a new president—the first opposition candidate to win the office of the presidency in the history of the ROC. It is clear that momentous changes have come to Taiwan. However, dramatic transformations in Taipei’s relations with archrival Beijing have not accompanied these changes.

In this article we examine the Chen Shui-bian administration’s approach to the People’s Republic of China (PRC) and Beijing’s perceptions of the new government and its policies. It is our suggestion that, despite fears that the election might have put Beijing and Taipei on a collision course, the new administration has proved surprisingly pragmatic in its ties with the PRC. At the same time, however, it is an exaggeration for the Chen administration and its supporters to contend that there exists a “stabilization” that bodes well for cross-strait relations and for peace and stability in the Western Pacific. The potential for a sharp and dangerous escalation in tensions remains.

The Election of Chen Shui-bian

On March 18, 2000, Taiwan voters went to the polls to elect the tenth president of the Republic of China. The election was significant in several respects. First, it
marked only the second time that the ROC had conducted a direct presidential election. By most accounts, the election was free and fair. Moreover, it was the first time that a candidate outside the ruling Kuomintang (KMT) had been elected president of the country. Finally, as was the case with the 1996 presidential contest, it showed that the Taiwan electorate will not yield meekly to threats or intimidation from Beijing. Once again, the voters chose a presidential candidate who appeared to be despised by authorities in mainland China—Chen Shui-bian.

The son of a poor farmer and leader of the Democratic Progressive Party (DPP), a party that supports Taiwan’s de jure independence from China, Chen received only 39 percent of the vote (see table 1)—not a strong mandate from the island’s voters. But many analysts believe that it is unlikely that the independence issue played a critical role in the election. The chief issue during the campaign was corruption, or what the Taiwan press calls “black gold.” During the late 1990s, Chen was an efficient, popular, and incorruptible mayor of Taipei. Taipei’s remarkable metamorphosis from a dirty and congested city into a world-class metropolis may be traced largely to his administration. As James Lilley, former U.S. ambassador to China, observed, “He won because he was anti-corruption.”1

During much of the presidential campaign, Chen appeared to make an effort to avoid provoking the PRC. In fact, he made several goodwill gestures to the mainland. For example, Chen indicated that he would be willing to go to China for talks with PRC leaders and/or invite mainland leaders to visit Taiwan. He compared himself to the late U.S. president Richard Nixon, who had been a staunch opponent of communism but managed to bridge the gap between Washington and Beijing. If elected, Chen said he would negotiate with the mainland leadership about any issue and lift the ban on full-scale exchanges.2 Perhaps most notable, however, he seemed to soften his position toward Taiwan’s independence and said that he would support an islandwide referendum on the issue only if China attacked. Nevertheless, only three days before the election, Chen responded to saber rattling in Beijing by declaring that “Taiwan is an independent, sovereign country.”3

Table 1. Outcome of Taiwan’s 2000 Presidential Election

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Political Party</th>
<th>Percent of Popular Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chen Shui-bian</td>
<td>DPP</td>
<td>39</td>
</tr>
<tr>
<td>James Soong</td>
<td>Independent</td>
<td>37</td>
</tr>
<tr>
<td>Lien Chan</td>
<td>KMT</td>
<td>23</td>
</tr>
</tbody>
</table>

Chen Shui-bian’s Mainland Policies

Its been over one year since Chen Shui-bian’s stunning election victory, and for many, the promise of Chen’s victory has turned to disappointment. The economy has been badly battered and unemployment has surged. In May 2001, unemployment hit 4.22 percent—the highest rate in the island’s modern history. Moreover, according to most calculations the stock market has lost nearly 50 percent of its value since Chen took office. As Chu Yun-han, a professor of political science at National Taiwan University, observed, “the state of the economy now is worse than at the height of the Asian financial crisis.”

In addition to the island’s severe economic difficulties, Chen has confronted gridlock in the legislature and a series of factional feuds within his own party. He also has been accused by an increasingly hostile press of incompetence and inability to craft clear and consistent policies. In short, it has been a rough time for the new administration.

One of the few bright spots during Chen’s tenure of office has been his approach to cross-strait relations. Indeed, one observer describes his mainland policy as “the most outstanding achievement of the Chen administration and the DPP.” But is such an enthusiastic assessment warranted?

The First Five Noes

Following his election, Chen continued to tone down his pro-independence rhetoric. Perhaps most significant was his inaugural address on 20 May 2000. In the speech, the new president referred to himself as the president of the Republic of China (not Republic of Taiwan as some feared he might) and outlined what has become known as the “Five Noes.” Chen proclaimed that, as long as the PRC did not use military force against Taiwan:

1. He will not declare Taiwan independent of China;
2. He will not support changing the national title of the Republic of China
3. He will not push for the inclusion of Lee Teng-hui’s “state-to-state” description in the ROC Constitution;
4. He will not promote an islandwide referendum on the island’s status; and
5. He will not abolish the National Reunification Council or the National Reunification Guidelines.

Chen’s inaugural address was received enthusiastically in Taiwan. Public opinion polls revealed that almost 80 percent of Taiwan’s populace was satisfied with the content of the speech, while roughly 63 percent believed it expressed “good-will” toward the PRC. In the United States, analysts described Chen’s address as “a significant effort to accommodate the United States and reach out to Beijing.” Ambassador Lilley described it simply as “brilliant.” Indeed, the speech
was so conciliatory toward Beijing (and Washington) that some suspected that it had been drafted by the American Institute in Taiwan (U.S. officials strongly denied news reports that Washington had sought to influence the content of Chen’s inaugural address).10

Political Integration

Following his inaugural address, Chen Shui-bian continued to seek to alleviate fears that he would inch the island closer and closer to war with China. One of his most significant gestures occurred in January 2001 when the president delivered his new year’s address. During his speech, Chen made his customary reference to “one China” as a “question for the future.” However, he also offered something different. Perhaps borrowing some ideas of the opposition—particularly former premier Vincent Siew—Chen raised the prospect of Taiwan’s eventual “political integration” with mainland China. Chen proclaimed that “the integration of our economies, trade, and culture can be a starting point for gradually building faith and confidence in each other. This, in turn, can be the basis for a new framework of permanent peace and political integration.” But what exactly does this mean?

According to an American observer, President Chen “appeared to commit himself as clearly as any of his predecessors to the goal of ‘one China’ in the sense of an integrated political future.”11 Some Taiwanese politicians concurred that the speech was a step in that direction. Chen Kuei-miao, a senior New Party official, suggested that “the political integration concept outlines an intermediate stage in the eventual unification process with mainland China.”12 But other politicians put a different spin on the integration thesis.

Frank Hsieh, chairman of the DPP, claimed that the president’s call for political integration should be considered only as a “goodwill gesture” and that the word “integration” does not mean “reunification.”13 Shen Fu-hsiung, a DPP lawmaker, used an American analogy to describe the meaning. According to Shen, “it means we’ll live under the same roof, but we’ll have different homes—it’s like an American duplex.”14 Perhaps the most all encompassing definition, however, was offered by a Taiwanese academic. According to Byron S. J. Weng, the integration concept means “independence with the possibility of unification [and] unification with room for independence.”15

The Three Mini-Links

Despite the explosion in cross-strait trade, investment, and travel, the ROC continues to prohibit “direct” transportation, trade, and postal linkages with the mainland. Beijing has long called on Taipei to lift the ban on “the three links.” The Chen administration has surprised some observers by making a move toward
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meeting Beijing’s demand—albeit a small one. In January 2001, Taipei authorized three “mini-links” between the two offshore islands of Kinmen and Matsu and the Chinese mainland. The initiative was described by the island’s press as “the most significant move made by the DPP since winning power in the March 2000 election.” John C. C. Deng, vice chairman of Taiwan’s Mainland Affairs Council, explained that “the intention behind the three mini-links is to express our goodwill to Beijing and to build mutual cross-strait trust and act as a warm-up to the three major links.” He boasted that “we’ve taken concrete measures to improve the cross-strait relationship.”

The Second Five Noes

In May 2001, President Chen journeyed to Central America and the Caribbean—a region of enormous importance to Taiwan as it represents the island’s last diplomatic stronghold. While traveling to the area, Chen made a two-day stopover in the United States where he met with American lawmakers. The visit came only days after the George W. Bush administration approved a multi-billion dollar arms sales package to Taiwan. It was feared that any (or all) of these developments might trigger a strongly negative reaction from Beijing. After all, it was Lee Teng-hui’s visit to Cornell University that prompted the PRC to suspend cross-strait negotiations and initiate a series of provocative missile tests off Taiwan’s coast in 1995.

Perhaps in an effort to assuage Beijing’s fears and avoid another nosedive in cross-strait relations, President Chen unveiled five new noes during a tea ceremony in Guatemala. Chen proclaimed that

1. Taiwan’s recent arms purchases and his travel to the U.S. were not intended to provoke Beijing;
2. Taiwan will not misjudge or miscalculate the current state of cross-strait relations;
3. Taiwan is not a vassal state or pawn of the United States;
4. Taiwan will not cease in its efforts to improve relations with the PRC; and
5. Taiwan is a sovereign state and will not become a pawn in power politics.

Other Developments in Cross-Strait Relations

The discussion above outlines only some of Chen Shui-bian’s initiatives toward the PRC. A more complete discussion would explore other developments as well. For example, Chen has pledged to lift the ban on the three direct exchanges after both Taiwan and China join the World Trade Organization (WTO) and to drop the previous administration’s policy curbing trade and investment in the mainland (the “go slow” policy). Moreover, the president appears to make
a major move toward resolving the contentious “one-China” quandary when he acknowledged in the new year’s address that the concept was endorsed by the ROC Constitution. The Chen administration also has backed Beijing’s bid for permanent normal trade relations with Washington, its drive to enter the WTO, and the successful campaign to bring the 2008 Olympic games to China. Finally, Taipei has permitted reporters from the PRC to be stationed in Taiwan and has promised to ease restrictions on travel by mainlanders to the island.19 Chen’s supporters contend that these moves prove that the present administration is determined to improve its relationship with Beijing.

**China’s Response to Chen Shui-bian**

Some observers in Beijing quarrel with the suggestion that Chen Shui-bian seeks to improve cross-strait ties, suspecting that he only seeks to buy time while inching the island closer to de jure independence from China. The sentiment is especially strong within elements of the People’s Liberation Army (PLA). There is some evidence to support this view.

The campaign to downplay Taiwan’s cultural and historical links to China—a drive initiated by Lee Teng-hui—continues in the island’s educational system and other institutions. Moreover, high-ranking Chen administration officials have strong ties to the separatist movement. For example, Annette Lu, the vice president of the ROC is an unabashed independence advocate who has not softened her position since taking office. During a visit to El Salvador in September 2000, Lu declared, “I agree there is only one China in the world, namely, the People’s Republic of China. But Taiwan, with its 23 million inhabitants, is also a sovereign state that does not belong to that one China.”20 As Andrew Yang, one of Taiwan’s leading political analysts, observed, “Annette Lu is a die-hard independence supporter. She won’t compromise her position.”21 Chen also appointed Alice Kung, an independence advocate who holds both ROC and Japanese citizenship, to a post as national policy adviser.22

Despite toning down his own independence rhetoric, Chen continues to make personal appearances at events sponsored by separatist groups. At one such meeting, a gathering of the World Taiwanese Congress, he shouted, “Taiwanese Stand Up!” and “I am the president of Taiwan!”23 Finally, Chen refuses to embrace the “one-China” principle unequivocally (he describes it as “a question for the future”) and continues to insist that unification is not the only option for Taiwan. All of these developments have been observed and carefully chronicled by the PRC.

**Beijing and Chen’s Cross-Strait Initiatives**

President Chen’s cross-strait initiatives have failed to impress Beijing’s leadership. The inaugural address (outlining the first “five noes”) was met with guard-
ed optimism. Some Chinese authorities simply reiterated that they would judge the new Taiwan leader by “deeds, not just words.” Others described the speech as “vague” and “insincere.” The second “five noes” received an even cooler response. Analysts in Beijing described the president’s new promises as “one of Chen’s ‘small tricks’ that try to create a false impression that cross-strait relations remain relatively stable.”

Zhang Mingqing, spokesman for the PRC’s Taiwan Affairs Office, found disturbing similarities in the two sets of pledges. According to Zhang, “the common thing for this new ‘five no’ and his old ‘five no’ is not to admit the one-China principle, so I think the new ‘five no’ is trying to hide something but actually is more revealing.”

Officials were similarly disdainful of Chen’s’ approval of the so-called three mini-links between the offshore islands and the mainland. According to the People’s Daily, the official mouthpiece of the Chinese Communist Party, the chief aim of Chen’s three mini-links initiative is “the goal of creating a false impression of improving cross-strait ties, while cheating the Taiwan people and international public opinion.” Finally, Chen’s call for a possible future “political integration” with mainland China received little attention, as few can figure out what it really means. As one PRC scholar said, “the meaning is ambiguous.”

In short, Beijing has not responded positively to Chen’s initiatives. In fact, many suspect that the PRC has opted to ignore the Taiwanese president. Chen’s calls for a “direct dialogue with Mr. Jiang Zemin” have been rebuffed. Rather than negotiate with Chen, Beijing prefers to go around him. Since late 2000, a number of high-ranking KMT officials—including KMT vice chairman Wu Pohsiung and former premier Vincent Siew—have received a warm welcome in Beijing. Xu Shiquan, head of the Chinese Academy of Social Sciences’ Institute of Taiwan Studies, explains that “the contacts between the KMT and the mainland will play a stabilizing role” and apply “pressure on the DPP to accept or move closer to the one-China principle.”

High-ranking members of the New Party (NP) also have received a friendly reception in Beijing. When meeting with these delegations—and refusing to meet with DPP officials—CCP representatives explained that the party “opposes the exchanging of opinions with independence-minded parties and people in Taiwan on issues related to peaceful unification and the development of cross-strait relations.”

It is easy for one to jump to the hasty conclusion that Beijing has adopted an unreasonable and unfair approach to the Chen Shui-bian administration. To some, it appears as if the new Taiwanese president has been rebuffed at every turn. Upon closer examination, however, the PRC’s response to Chen was quite predictable. In fact, from Beijing’s perspective, it is quite reasonable.

As described, Chen Shui-bian has toned down his independence rhetoric. Nevertheless, he maintains strong links to the separatist movement and makes public appearances at gatherings sponsored by independence organizations. Chen also insists that unification is not the only option for Taiwan. Formal independence
from China remains a distinct possibility. Consequently, Beijing’s suspicions that the president is “insincere” about unification may hold some merit.

Chen’s “bold” initiatives toward Beijing received positive publicity in the international media. On close examination, however, the moves appear somewhat less than courageous. The so-called mini-links (described by Taipei as the “most significant” move by the DPP toward the mainland) are an excellent case in point. Direct trade and travel between the offshore islands and the mainland, albeit illicit in Taipei’s opinion, has been the norm ever since Beijing sanctioned the practice many years ago. Consequently, Beijing’s cool response to the mini-links is understandable. Chang Jung-kung, director-general of the KMT’s Department of Mainland Affairs, explains:

The DPP government has shown its goodwill to Beijing in a very unskillful way. Without a cross-strait agreement on these links, Beijing officials don’t think we want to forge a better relationship. They think we’re using the links to enhance our stature on the international stage. We’re just allowing what they’ve already done, but we’ve created a media event out of it. How can Beijing be happy about that?32

Others contend that the real purpose of the mini-links is to bolster the sagging economies of the offshore islands (the demilitarization of the islands during 1990s caused the local economies to collapse). As hopes for transforming Kinmen and Matsu into tourist destinations faded, the mini-links came to be viewed as a “quick fix” for these territories’ economic woes. Still others suspect that the mini-links are “a move to distance the residents of the outlying islands from Taiwan and move them closer to the mainland, making an independent Taiwan easier to achieve.”33

The opening of Taiwan to mainland tourists also has received a lukewarm reception in Beijing. After all, improving cross-strait ties appears not to be the driving force behind this initiative. Like the “mini-links,” the move seems designed to bolster a segment of Taiwan’s sagging economy, the tourist industry. As one KMT lawmaker explained hopefully, “if we allow entry of 1 million mainland tourists, it can help boost Taiwan’s economic growth by an estimated 2% and lower the jobless rate by 0.5%.”34

Taipei’s Response to Beijing’s Initiatives

Much has been made of the Chen administration’s moves to “stabilize” cross-strait relations and move Taipei closer to the one-China principle. Very little attention, however, has focused on Beijing’s innovative efforts to find a formula acceptable to both sides of the Taiwan Strait and Taipei’s tepid response to these initiatives.

To much of the world, the one-China debate appears to involve semantics of little consequence. To Beijing and Taipei, however, the quarrel is critically important. For decades, both sides had claimed to be the legitimate government of all China. But Taipei began to move away from the one-China principle when it accepted the possibility of dual diplomatic recognition by foreign governments
and launched an aggressive campaign to return to the world’s major international organizations—including the United Nations—during the Lee Teng-hui administration. The two sides managed to reach some sort of a one-China formula that would enable both parties to meet and discuss their differences in 1992. Beijing, however, claims that Taipei violated the agreement when Lee Teng-hui journeyed to America in 1995 and, more recently, when he launched the controversial “state-to-state” theory. Consequently, meaningful cross-strait negotiations have been suspended for almost a decade.

Beijing refuses to return to the negotiating table until Taipei returns to the “one-China principle.” But some authorities in Taipei describe the one-China principle as a trap and contend that acceptance of it means acquiescing to the position that Beijing is the sole, legal government of China, of which Taiwan is just one tiny part. Indeed, some DPP lawmakers have called on the president to formally scrap the principle, “as the phrase confuses the international community into believing that Taiwan is a part of the PRC.” Others, however, argue that Chen should return to the one-China principle—a position shared by many members of the opposition KMT, NP and People’s First Party.

There is mounting evidence that Beijing is sensitive to Taipei’s concerns and that its definition of “one China” might be softening into something acceptable to many elements in the Taiwan polity. In January 2001, Qian Qichen, the PRC’s deputy prime minister, appeared to offer a major concession when he advanced a very broad interpretation of Beijing’s one-China position. At the time, Qian explained that “they [Taipei] think that Taiwan being part of Chinese territory means Taiwan and China are not equal. . . . to ease this doubt, we said the mainland and Taiwan belong to the same one China. At least, I think it shows some kind of equality.” As one PRC official speaking on the condition of anonymity observed, this position represented a major shift in PRC policy:

Once we said we would liberate Taiwan, then we said Taiwan was just a province of China, now are saying Taiwan can be our equal. For the mainland to make these kind of adjustments is not an easy thing. We have people who fought and defeated the Nationalists and sent them running to Taiwan. For these old cadres, treating Taiwan as an equal is a very difficult thing to accept. They think, “you lost the war, how can you be my equal.”

Since making his initial proposal, Qian has reiterated that “both the mainland and Taiwan belong to one China,” and argued that this position is “pragmatic and more inclusive” than previous formulations.

Unfortunately, Taipei has failed to respond positively or otherwise capitalize on Qian’s new formulation. Taiwan’s Mainland Affairs Council dismissed the statements as nothing new. As for Chen Shui-bian, he responded only by claiming that “it’s virtually impossible to know for sure whose statements are true and final and who actually represents the government.” Consequently, cross-strait talks remain stalled.
Summary

The PRC remains very wary of Chen Shui-bian and his administration. According to some analyses, however, Beijing’s leadership is divided over how best to deal with the new Taiwanese president. It is believed that one group favors threats and saber rattling—perhaps even limited military strikes—to bring the rebellious province back into the fold. Another faction agrees that Taipei is moving toward independence but wants to postpone a showdown until China has the requisite strength to confront the island and its chief protector—the United States. A third group, described as “less visible,” believes that past policies toward Taiwan have proved to be counterproductive and supports a more conciliatory and flexible approach to Taipei.

Despite the fact that Beijing continues to ignore the Chen administration, there is evidence to suggest that the third group—supporting a more conciliatory policy—is gaining influence. Qian Qichen’s reformulation of the one-China position is a case in point. Moreover, Beijing appears to have toned down the fiery rhetoric it directed toward Chen and Taiwan. As one Chinese official explained, “we gave Chen Shui-bian a lot of political capital . . . we gave him 50 percent of his success. The more we attacked him, the higher his star rose.”41 There is some evidence suggesting that the Taiwan populace appreciates the softening tone emanating from Beijing. According to public opinion polls, the number of Taiwanese who consider the PRC hostile has dropped perceptibly in recent months (see figure 1). It appears, however, that news reports suggesting that there is a significant rise in support for Beijing’s “one country, two systems” reunification scheme are inaccurate.42 As several polls have found that the overwhelming majority of Taiwanese still oppose the PRC’s unification proposal (see figure 2).

It remains unclear how Beijing ultimately will choose to deal with Chen Shui-bian, his administration, and the new Taiwan. Much depends upon the 16th Communist Party Congress that will convene in 2002. Five of the PRC’s seven top leaders are scheduled to retire during this conclave, and Jiang Zemin will step down as party head in 2002 and as president in 2003. As Chen Shui-bian observed, “Whether the new leader will be overly conservative on cross-strait issues, and whether mainland China will continue its arms buildup and missile development are issues that deserve attention.”43 Political developments in Beijing may have a major impact on relations across the Taiwan Strait.

The Present State of Cross-Strait Relations

In some respects, it is easy to identify positive trends in cross-strait relations. Economic exchanges between the two rivals continue to expand. During Chen’s first year in office, cross-strait trade increased 21 percent over the previous year. Exports from Taiwan to the mainland rose 17.4 percent, and exports from the
mainland to Taiwan soared 37.5 percent.\textsuperscript{44} According to most calculations, Taiwan now has invested roughly U.S. $50 billion in the PRC. Interestingly, during the Chen administration, Taiwan’s investment in labor-intensive industries is no longer the major form of economic exchange with the mainland. Rather, Taiwan firms are now investing heavily in other areas such as high-tech, the service industry, and intellectual property. More economic channels are being opened across the strait, and Taiwanese businesses are said to have contracted “Shanghai fever.”

In addition to the surge in economic activity, cross-strait educational and cultural exchanges have accelerated. For example, during the 2001 Taipei-Shanghai City Forum, officials from these “sister cities” agreed that a student exchange program “should be the first thing implemented, saying it could be kicked off this summer if everything goes smoothly.” This program will include the exchange of
students, teachers and lecturers, and resident artists. It will also provide for the
hosting of academic seminars; assistance for the education of Taiwan business-
people’s children living in Shanghai; sports competitions and performances in
each city; the swapping of visits by business and industrial groups; incentives for
investment between the two cities; and assistance to investors from the other
city.\textsuperscript{45} The cities of Xiamen and Kaohsiung have entered into a similar cooperative
arrangement. In fact, this relationship has become so cordial that Frank
Hsieh, mayor of Kaohsiung and chair of the DPP, has declared that “Xiamen and
Kaohsiung are two cities in one country.”\textsuperscript{46}

Many political scientists see this explosion in the “low politics” of economic
and cultural exchanges as a positive development. Those who subscribe to the
functionalist approach to comparative politics are especially optimistic. As David
Mitraney suggests, through such activities “the basis would be created for a thick-
ening web of structures and procedures in the form of institutions. It is believed
that successful cooperation in one functional setting will enhance the incentive
for collaboration in other fields.”\textsuperscript{47} Some hope that this collaboration in common
areas will eventually spill over into the sensitive political arena and contribute to
the reunification of China.

According to Chen Shui-bian, “the current [cross-strait] situation has improved
immensely from the same time last year [May 2000].”\textsuperscript{48} In fact, the president often
boasts that “we have stabilized cross-strait relations.”\textsuperscript{49} Despite these optimistic
assessments, however, there remains the ever-present danger that relations between
Beijing and Taipei could deteriorate sharply with little advance warning.

 Authorities in the PRC bristle at claims that the new Taiwan president has some-
how succeeded in stabilizing cross-strait relations. According to Zhang Mingqing,
Taiwan Affairs Office spokesman, “the Taiwan leader says that cross-strait relations
are stable and even better than during the time of his predecessor. I think this is a
way of ignoring the facts and trying to present a false picture of peace and stabili-
ty.”\textsuperscript{50} An editorial drafted by the PRC’s official Xinhua News Agency opined that
relations actually have deteriorated. According to the article, “during the year that
Taiwan leaders have been in power, cross-strait relations have fallen into an impasse
and not only have tensions not eased, hidden dangers have grown bigger.”\textsuperscript{51} Xu Shi-
quan, head of the Institute of Taiwan Studies, concurs. Xu cautions that the current
“dangerous deadlock” is “very precarious” and that “nobody can be sure there will
be no crisis in the future. Nobody can say that cross-strait relations will remain sta-
ble.”\textsuperscript{52} As Wu Yu-shan, a professor at the prestigious National Taiwan University,
observed, “cross-strait relations are stagnating and tense.”\textsuperscript{53}

\textbf{Conclusion}

As Lee Kuan Yew, Singapore’s senior minister, observed, Chen inherited a dif-
ficult situation:
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For China, Taiwan was one of a dozen important problems. Lee Teng-hui’s achievement has been to make Taiwan China’s overriding problem. Chen Shui-bian has unfortunately inherited this position.54

To be sure, Chen’s administration deserves some credit for its adroit handling of relations with Beijing. Thus far, the bloodshed and conflict that some predicted would accompany the election of a DPP candidate as president of the ROC has been averted. Chen has taken a series of prudent steps to avoid provoking China and for these actions he must be commended. At the same time, Beijing must be lauded for adopting a wait-and-see attitude toward the Chen administration and toning down the rhetoric it had adopted during the waning years of the Lee Teng-hui administration. Nevertheless, there is still ample cause for concern.

Despite the political rhetoric emanating from Taipei, it is a gross exaggeration to suggest that cross-strait relations have improved significantly or even stabilized during the Chen era. China continues to deploy over 300 missiles directly opposite Taiwan. According to some estimates it is adding up to 50 missiles per year, and the total could reach 600 to 800.55 Moreover, the ROC Foreign Ministry claims that Beijing is accelerating its campaign to lure away all of Taipei’s diplomatic allies, that the diplomatic tug of war is escalating. As Tien Hung-mao, ROC foreign minister, observed, “my feeling is that they are increasing pressure, not decreasing” since Chen’s election.56 Taipei also claims that Beijing has stepped up efforts to block the island’s arms acquisitions. Perhaps most worrisome, the PRC still refuses to rule out the use of force to take Taiwan. When addressing a gathering of PLA generals, President Jiang Zemin pledged that “if Chen Shui-bian has the audacity to go in for Taiwan independence, then I will lead you to liberate Taiwan.”57

Changes with unforeseen consequences may also be on the horizon in Taipei. An alliance between Lee Teng-hui—probably the most hated man in China—and Chen Shui-bian appears to have materialized. This development and Lee’s subsequent expulsion from the KMT received widespread media coverage in the mainland. This surprising shift carries important implications for both the island’s domestic politics and its relationship with the mainland. As Chu Yun-han, a political scientist at National Taiwan University, observed, “the political landscape will be reconfigured as a result of this. There is no question about that.”58 The emergence of a Chen-Lee partnership is described by other political observers as “both risky and provocative.”59 Moreover, some of Chen’s supporters are urging the president to adopt a more hard-line approach to China, complaining that the president has been too soft on Beijing.60 They are pressuring him to push more aggressively for Taiwan’s formal independence from China. Finally, it remains unclear how the DPP’s stunning victory in the December 2001 legislative elections will influence cross-strait relations.

In sum, the election of Chen Shui-bian has ushered in a new era in Taiwan’s politics. It remains to be seen, however, how the administration of this self-avowed
independence activist will ultimately affect cross-strait relations. That Beijing and Taipei are able to resolve their differences peacefully is important not only for the future of China but also for peace and stability in the Western Pacific.

NOTES

5. Mike Chinoy, “Chen’s First Year Tarnished by ‘Mediocrity’” CNN.COM, 19 May 2001, at TSR.
10. According to some accounts, Raymond Burghardt, chief of the AIT’s Taipei office, had met with Chen many times and helped influence his inaugural speech. See, “AIT Head Denies Role in Drafting of Chen’s Inaugural Speech,” Central News Agency, 13 May 2000, in Lexis/Nexis.
11. Harvey Sicherman, “Taiwan’s Chen Shui-bian: A President’s Progress,” Foreign Policy Research Institute, 11 May 2001 in TSR.
18. Under the “go slow” policy, Taiwanese firms are prohibited from investing in infrastructure projects in the PRC and are prohibited from investing more than NT $50 million in any other projects. See “Government to Study further Easing of Mainland-Bound Investment,” China Post (International Airmail Edition), 22 June 2001, 1. Also see, “Taiwan to seek ‘3 Links’ with China after both Join WTO,” AFX News Limited, AFX Asia, 4 October 2001 in Lexis/Nexis and “Go Slow, Be Patient Policy to Be Repealed,” Taipei Journal, 31 August 2001, 1.
19. According to plans being drawn up in Taipei, the number of mainland tourists allowed to visit the island will be limited and the tourists must follow the “group in, group out” principle (they must join tour groups). Background checks on tourists also will be conducted and only reputable tourist agencies will be allowed to conduct the tours. See, “MAC Unveils PRC Tourist Blueprint,” China Post (International Airmail Edition), 6 July 2001, 4.

23. Lawrence Chung, “Chen Takes ‘Middle Road’ with China,” Straits Times (Singapore), 20 March 2001 in Lexis/Nexis.


33. Ibid.

34. See, “MAC Unveils PRC Tourist Blueprint.”

35. Beijing apparently expressed the view that there is one China—the PRC—of which Taiwan is a part. Taipei also agreed that there is one China—the ROC—of which the mainland is a part. See Lee Chang-Kuei, “Chinese Confederation versus One China,” Taipei Times, 23 February 2001 in TSR.


38. Ibid.


42. In June 2001, some Taiwanese newspapers conducted polls showing a sharp rise in support for Beijing’s reunification formula. However, the MAC disputes the results of the surveys claiming that respondents did not know the meaning of “one country, two systems.” As Lin Chong-Pin, vice chairman of the MAC observed, “they only gave vague descriptions of the Beijing scheme.” For more information, see “Most Taiwan People Oppose Beijing Formula: MAC,” China Post (International Airmail Edition), 6 July 2001, 4.


44. Across-Strait Trade Continues to be Active, Our Investment to the Mainland Peaks Again, Taiwan National Statistics (in Chinese), 6 May 2001 at <http://140.129.146.192/dgbas03/ bs7/report/20.doc>


51. “China Warns of Worsening Tensions with Taiwan Under Chen,” Agence France Presse, 24 May 2001 in Lexis/Nexis
53. Ibid.
57. “Jiang Pledges To Take Army to War to Liberate Taiwan,” Agence France Presse, 1 July 2001, in Lexis/Nexis.
59. Ibid.
60. See Julian Baum, “Tightrope.”