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# Selective Engagement: Mainland China's Dual-Track Taiwan Policy

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#### **ABSTRACT**

Since the Democratic Progressive Party won the Taiwan 2016 presidential campaign, Beijing has established a dual-track policy framework featuring "selective engagement" to address thes talemate across the Taiwan Strait. The "selective engagement" policy can be characterized as a set of complementary approaches, basically a combination of containment and engagement measures. In terms of the issue areas, it is a combination of confrontational measures in security, political and diplomatic fields, with comparatively encompassing approaches on economic, social and cultural affairs. In terms of the policy counterparts, it is a combination of punitive measures against the "Taiwan independence" activists, with accommodative approaches to all the other politically non-pro-independence forces. In conclusion, this article analyzed the challenges inherent in Beijing's current dual-track policy.

#### Introduction

In January 2016, Tsai Ing-wen, the candidate of the pro-independence Democratic Progressive Party (DPP), was elected with 56 percent of the vote in the presidential campaign of Taiwan, and for the first time in history, the DPP enjoyed a majority in the Legislative Yuan (lifa yuan). The landslide victory of the DPP over the Kuomintang (KMT) made it the dominant party with both executive and legislative power in hand. Tsai won the campaign on the promise that she has the capability to develop Taiwan's stagnant economy, reduce social tensions and maintain the *status quo* across the Taiwan Strait. However, the repudiation of the Tsai administration of the 'one China' principle insisted by Beijing has ignited the intensifying pressure campaign from the mainland China, hence drove the cross-Strait relations into deadlock after the eight-year energetic interaction and cooperative development during the Ma Ying-jeou administration. Facing the uncompromising countermeasures from Taipei and the enduring cross-Strait impasse, Beijing gradually forged a dual-track Taiwan policy framework featuring 'selective engagement' after a short-term observation since the inauguration of Tsai Ing-wen.

Beijing's current 'selective engagement' policy, which also can be characterized as 'congagement' policy, is a combination of both containment and engagement measures. It is perceived as a set of complementary dual-track approaches from two dimensions. First, in terms of the issue areas of the 'selective engagement' policy, it is a combination of confrontational measures in security, political

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<sup>&</sup>lt;sup>1</sup>Runmei Zeng, 'Tsai Ing-wen "weichi liang'an xianzhuang" zhuzhang pingxi' ['An Analysis of Tsai Ing-wen's Proposition to "Maintain the Status Quo" across the Taiwan Strait'], *Taihai yanjiu* [*Cross-Taiwan Strait Studies*] 3, (2015), pp. 39–48.

<sup>&</sup>lt;sup>2</sup>Scott L. Kastner, 'Is the Taiwan Strait Still a Flash Point? Rethinking the prospect for armed conflict between China and Taiwan', International Security, 40(3), (2015–16), pp. 54-92; Dittmer Lowell, ed., 'Xi Jinping's Taiwan Policy: Boxing Taiwan In with the One-China Framework' In Taiwan and China: Fitful Embrace (Oakland, California: University of California Press, 2017), pp. 239–248;.

and diplomatic fields, with coordinative approaches on economic, social and cultural affairs. Second, in terms of the counterparts, it is a combination of spot-on punitive measures against the acute 'Taiwan independence' firebrands of the Green Camp represented by the DPP, with accommodative approaches to all the others, covering a wide political spectrum ranging from the traditional Blue Camp represented by the KMT who accepts the '1992 consensus', to the 'middle force' or the 'White Force' (baise liliang) represented by Taipei City mayor Ko Wen-je who suggests that 'the two sides of Taiwan Strait are one family'. The strategic purpose of Beijing is to provide necessary dynamics to maintain the economic and social cooperation momentum across the Taiwan Strait and 'win the heart and mind' of the Taiwanese, while impose sufficient pressure to deter the Tsai administration and the 'deep Green Camp' activists to pursue radical pro-independence agenda.<sup>3</sup>

# **Track of Containment in High-Political Areas**

For Beijing, to agree or disagree with the 'one China' position is always the fundamental issue for the stability or turbulence of the Cross-Strait relations. After long-term difficult negotiation, Beijing and Taipei constructively reached the consensus about the 'one China' position in 1992, which was creatively termed by Dr. Su Qi as a somewhat ambiguous '1992 consensus' in 2000, and held the historical 'Wang-Koo Meeting' in April 1993. After one decade of tension across the Taiwan Strait during the Lee Tung-hui and Chen Shuibian administrations, the two sides enjoyed an unprecedented period of peace and cooperation based on the 'one China' consensus after the KMT returned to power in 2008. Before the 2016 presidential campaign in Taiwan, as it is widely believed that the DPP would win the election, Beijing had repeatedly affirmed its persistence in the 'one China principle' as the 'foundation and precondition' for positive interaction across the Strait, and warned the DPP that 'when the foundation are not stable, the earth moves and the mountains shake' (jichu bulao, didong shanyao).4

However, Beijing's warning has not been taken seriously and cautiously enough by the DPP leadership. Tsai publicly stated before the 2016 election that, provided the DPP could win the campaign without suspense, Beijing would have no choice but to face the reality and 'cuddle up of itself to Taipei' (zidong kaoguolai).<sup>5</sup> Whereupon, she promised to her constituents that she would and could maintain the status quo during her presidency. Unfortunately, it seems that the Tsai administration overestimated its capability to achieve that at its will, while underestimated Beijing's determination to defend the 'one China' principle even at a heavy cost of the cross-Strait relations. The reference that Taipei will conduct cross-Strait affairs in accordance with the 'Republic of China Constitution' as well the 'Act Governing Relations Between the People of Taiwan Area and the Mainland Area' (Liang'an renmin quanxi tiaoli) in Tsai's inaugural speech on 20 May 2016 was regarded as an allusion to the acknowledgement of the 'one-China' position. Taking the necessity of Taiwan's electoral politics into consideration, Beijing's remark of 'an unfinished exam paper' (wei wancheng de dajuan) left a window open for a transitional 'wait and see' period. It implied that Beijing would like to give the Tsai administration a period of time to pragmatically adjust the DPP's proindependence stance and clearly accept the 'one China' position when there is no more

<sup>&</sup>lt;sup>3</sup>Jean-Pierre Cabestan, 'Beijing's Policy towards President Tsai Ing-wen and the Future of Cross-Strait Relations', *Journal of* Diplomacy 18(1), (2017), pp. 55-71; Lowell Dittmer, ed., Taiwan and China: fitful embrace (Oakland, California: University of California Press, 2017).

<sup>&</sup>lt;sup>4</sup>Jie Zhang, 'Jichu bulao didong shanyao juefei weiyansongting' ['Do not Think it is Alarmist to Say "when the foundation are not stable, the earth moves and the mountains shake"'], Taiwan.cn, March 7, 2016, accessed May 16, 2019, http://www.taiwan.cn/ plzhx/hxshp/zhzh/201603/t20160307\_11403914.htm; Pengfei Qi and Fang Wang, 'Shilun zhonggong shijiuda baogao shetai lunshu de lishi jidian he xianshi yiyi' ['On the Historical Legacy and Practical Significance of the Statement Concerning Taiwan-Related Issues in the 19th CPC National Congress Report'], Taiwan yanjiu [Taiwan Studies] 1,(2018), pp. 1–12.

<sup>&</sup>lt;sup>5</sup>Yiwen Chen, 'Tsai Ingwen chuli liang'an wenti, lu xuezhe: sida zhanive wupan' ['Tsai Ing-wen's Resolution of Cross-Strait Issue Mainland Scholars: Four Strategic Misperception'], China Times, May 31, 2017, accessed May 10, 2019, https://www.chinatimes. com/cn/realtimenews/20170531002758-260407?chdtv.

campaign pressure. After her inauguration, Tsai has advocated some new discourse, such as 'historical fact of 1992 meeting', '1992 common cognition', 'New Four No's', 6 and 'Three New Ideas' etc., aiming to win the trust from Beijing and ease the tension across the Strait. However, these efforts were neutralized by some other contradictory behaviors of Taipei. For example, in her open letter marking the DPP's 30th anniversary in September 2016, Tsai called on the party members to 'resist pressure from China'.8 On 4 October 2016, Tsai told the Wall Street Journal that the mainland must face the reality that 'Taiwan is a sovereignty independent state'. On 18 May 2017, Zhang Xiaoyue, the chief of Taiwan's Mainland Affairs Council (MAC), criticized Beijing for ignoring the fact that Taiwan is a sovereignty independent state, and there is 'no possibility' for Taiwan to accept the one China principle. 10 Premier Lai Ching-te, the then leader of Taiwan's Executive Yuan (xingzheng Yuan) announced on 26 September 2017 that he is 'a politician who supports Taiwan independence'.<sup>11</sup> At the same time, the Tsai administration was domestically endeavoring to pursue and promote the 'desinicization' (quzhongguohua) agenda ranging from social, cultural to educational fields. 12 For instance, Beijing was very upset when the high school curriculum review commission under the Tsai administration decided to block implementation of KMT-proposed curriculum amendments and stop to teach Chinese history as an independent course but as a part of the East Asian history curriculum.<sup>13</sup>

The 'Transitional Justice' (zhuanxing zhengyi) campaign initiated by the DPP to 'strip the legitimacy of authoritarian rule' of the KMT also alerted Beijing. The behaviors of the DPP administration, including the removal and disposal of the signs and symbols related to Chiang Kai-shek, political liquidation of the KMT rule between 1945 and 1992, and commemoration of Japanese colonialism, etc., are regarded as a part of the process to diminish the historical and legal bonds between the mainland and Taiwan by demonize and delegitimize the KMT government as a 'foreign regime' (wailai zhengquan) forcibly imposed on Taiwan. In addition, the closer interaction between Taipei and Washington, as well between Taipei and Tokyo, highlighted by the unprecedented 'Trump-Tsai phone call event' in December 2016, dramatically deepened Beijing's distrust towards Tsai. All of these behaviors made Beijing, which is historically already suspicious of the consistent proindependence inclination of the DPP politicians, reach the conclusion that there is no hope for the DPP to give up its 'one side, one state' (yibian yiguo) position and turn to endorse the principle that 'both Mainland and Taiwan belong to one China'. Hence, Beijing decided to take multi-dimensional

<sup>&</sup>lt;sup>6</sup>'New Four No's' refers to the proposal made by Tsai on October 10, 2016 that 'our pledges will not change, and our goodwill will not change; but we will not bow to pressure, and we will of course not revert to the old path of confrontation' (information received from 'Full Text of President Tsai Ing-wen's National Day Address', *Focus Taiwan*, October 10, 2016, accessed September 24, 2018, http://focustaiwan.tw/news/aipl/201610100004.aspx.

<sup>&</sup>lt;sup>7</sup>/Three New Ideas' refers to the proposal made by Tsai on May 3, 2017, which means 'new situation, new test paper and new model'.

<sup>&</sup>lt;sup>8</sup>Matthew Strong, 'Tsai Calls on DPP to Resist China Pressure', *Taiwan News*, September 29, 2016, accessed March 27, 2019, https://www.taiwannews.com.tw/en/news/2986999.

<sup>&</sup>lt;sup>9</sup>Charles Hutzler, 'China can't Make Taiwan "Bow to Pressure", Island's Leader Says', *The Wall Street Journal*, October 4, 2016, accessed May 16, 2019, https://www.wsj.com/articles/china-cant-make-taiwan-bow-to-pressure-islands-leader-says -1475616782.

<sup>&</sup>lt;sup>10</sup>Xiaoyue Zhang, 'Women juedui buhui jieshou yizhongyuanze' ['We will definitely not Accept One China Principle'], *CRNTT*, May 18, 2017, accessed May 18, 2019, http://www.crntt.com/doc/1046/8/4/9/104684945.html?coluid=93&kindid=8110&docid=104684945.

<sup>&</sup>lt;sup>11</sup>Sean Lin, 'Lai Reaffirms Support for Independence', *Taipei Times*, September 27, 2017, accessed March 1, 2019, http://www.taipeitimes.com/News/front/archives/2017/09/27/2003679217.

<sup>&</sup>lt;sup>12</sup>Yang Zhong, 'Explaining National Identity Shift in Taiwan', *Journal of Contemporary China* 25(99), (2016), pp. 336–352; Daning Xie, "Kegang, rentong yu 'wenhua taidu" ['Syllabus, Identity and "Cultural Taiwan Independence"], *Tanwan Yanjiu* [*Taiwan Studies*] 1, (2017), pp. 1–12; Jiaxin Li, 'Taiwan jiaoyu zhengce bianqian jiqi dui minzhong "guojia rentong" de yingxiang' ['Changes of Taiwan's Education Policy and its Influences on "National Identity" of Taiwanese'], *Shijie zhengzhi yu jingji luntan* [*World Politics and Economy Forum*] 1, (2017), pp. 134–152.

<sup>&</sup>lt;sup>13</sup>Bo Zhao, 'Guotaiban: qianggai kegang jiang zhongguoshi naru dongyashi shi "taidu" xingjing youyi shizheng' ['Taiwan Affairs Office (TAO) of the State Council of PRC: combine Chinese history as a Part of the East Asian history Curriculum forcefully is a new evidence of the action of "Taiwan Independence"], *TAO*, August 15, 2018, accessed September 24, 2018, http://www.gwytb.gov.cn/wyly/201808/t20180815\_12047573.htm.

confrontational measures in 'high-political' areas, ranging from security, political to diplomatic areas, to contain the Tsai administration from pursuing 'Taiwan-independence' course. Not surprisingly, the tit-for-tat actions between the two sides drove the already tense cross-Strait relations into a downward spiral.

Firstly, the increased security dilemma and military standoff. Preparing to fight and defend 'national sovereignty and territorial integrity' is always the foremost obligation of the People's Liberation Army (PLA) of China. In order to ensure the reunification of Taiwan which is defined as an 'unshakable historic task' (shizhi buyu de lishi shiming) by Beijing, mainland has never ruled out the use of force and 'reserve the option to use all necessary measures' to prevent Taiwan independence. 14 Keeping the Taiwan independence scenario in mind, the PLA is required to develop the capability to fight a war and win a war (neng dazhang, da shengzhang) under a more efficient commanding structure and combating system based on the comprehensive military reform initiated in November 2015. Driven by the concern that Taiwan administration might pursue de jure independence and supported by the continuous military budget increase as well the breakthrough in industrial-scientific-technological infrastructure, the PLA has commissioned a series of advanced weapon systems capable of anti-access/area denial operation and regional power projection in the West Pacific region in the past a few years. As warned by President Xi, the mainland is resolved to oppose 'any separatist activity' and will 'never allow anyone, any organization, or any political party, at any time or in any form' to separate Taiwan from China. 15

In contrast with the rather prudent and restrained usage of military leverage during the Ma administration, the PLA started to strengthen its military pressure upon Taipei in order to deter the possible Taiwan independence momentum. For example, in November 2016, the PLA Air Force (PLAAF) airplanes made its first circumnavigation around Taiwan. Subsequently, more complex and sophisticated aircraft formations composed of H-6K strategic bombers, jet fighters, early-warning airplanes and electronic warfare airplanes of the PLA have conducted 'island encircling exercises' for several times in 2017 and 2018 during their regular flight exercises beyond the First Island Chain in the West Pacific Ocean. Echoing to the Trump-Tsai call, the Liaoning aircraft carrier of the PLA Navy (PLAN) carried out its maiden circling patrol around the Taiwan Island after conducted a far-sea drill in January 2017. In April 2018, the PLAN conducted a live fire exercise into the Taiwan Strait after an unprecedented naval parade in the South China Sea. It is reported that on 31 March 2019, two PLAAF J-11 jets broke 'the long-held tacit agreement' by crossing the median line of the Taiwan Strait and forced the Taiwan Air Force to scramble several jets to intercept, consequently ignited a 10-minute standoff between Taiwan and mainland warplanes. There is no doubt that those exercises and operations were tasked to send signal of deterrence to the Tsai administration.

On the other hand, in the face of the rapid development of military power of the PLA, the Tsai administration formulated a new military strategy in March 2017 featuring 'solid defense and multilayered deterrence' (fangwei gushou, chongceng hezu). Feng Shikuan, the then Defense Minister of Taipei, stated publicly that the army might 'launch offensive attack' in order to 'crash the enemy on the other side of the Strait'. 16 After an increase of 3 percent in 2018 defense budget (about US\$ 11 billion), the Tsai administration has proposed a 5.6 percent increase for 2019 defense budget, which allow the whole package rose from 327 billion New Taiwan Dollars (NT\$) to 346 billion. Taipei

<sup>&</sup>lt;sup>14</sup>Jinping Xi, 'Xi Jinping zai "gao Taiwan tongbao shu" fabiao sishi zhounian jinianhui shang de jianghua' ['the Speech on the 40<sup>th</sup> Anniversary of the Publication of "Message to Compatriots in Taiwan"], zhongguo renda wang (the National People's Congress of the PRC), January 2, 2019, accessed May 18, 2019, http://www.npc.gov.cn/npc/xinwen/2019-01/02/content\_2070110.htm? from=singlemessage.

<sup>&</sup>lt;sup>15</sup>Jinping Xi, 'Xi Jinping zai zhongguo gongchandang di shijiu ci quanguo daibiao dahui shang de baogao' ['Report at the Nineteenth National Congress of the CPC'], Renmin wang [people.cn], October 28, 2017, accessed May 13, 2019, http://cpc. people.com.cn/n1/2017/1028/c64094-29613660.html.

<sup>16</sup> Shunjie Huang, 'Tsai Ing-wen rennei shoufen "guofang zong jiantao: Taiwan you nengli Judi yu bi'an" ['The First version of "the General Evaluation of National Defence" by the Tsai Administration: Taiwan has ability to resist enemies on the other side of the Strait'], Lianhe Zaobao [the United Morning Post], March 17, 2017, accessed May 13, 2019, http://www.zaobao.com/news/china/ story20170317-736876.

also decided to invest giant resources into indigenous manufacturing project of advance weapon systems, including submarines, fighter jets, missiles and air-defense systems. In response to the circling patrol of the PLA aircrafts and warships, the Ministry of National Defense of Taipei started to deploy air defense batteries and EP-3 surveillance aircrafts to the east coast to address the threat.

In addition to urge the US to deepen bilateral military cooperation and strengthen bilateral intelligence exchanges, Taipei is also urging Washington to sell advanced weapon systems and key technologies to beef up Taiwan's self-defense capability. Currently, Taiwan's air force, with a US \$3.68 billion project, is retrofitting its 144 F-16 A/B jets to F-16V, an upgrade version equipped with more advanced radar, sophisticated combat and strike systems from the US. Additionally, in March 2019, Taipei submitted an official purchase request to the US for a fleet of 66 F-16V fighter jets at a cost of NT\$ 390 billion (about US\$ 12.6 billion), which would include missiles and related logistics and the training of pilots and maintenance personnel.<sup>17</sup> After decade-long lobby from Taipei, the Trump administration has approved in April 2018 the marketing license needed for US manufacturers to sell US-made submarine technology that would enable Taiwan to build domestically designed and produced diesel-electric submarines, which is widely recognized as an offensive weapon and a pillar for 'asymmetrical combat capability'.<sup>18</sup> In March 2019, interviewed by Japanese *Sankei Shimbun*, Tsai publicly called upon the Tokyo to share military intelligence with Taipei and propose direct Taiwan–Japan security dialogue to counter the 'growing military threat' from the mainland.<sup>19</sup>

Secondly, the extension of political impasse. Based on the 'one China' consensus, Beijing and Taipei have established a multi-level institutional mechanism for communication and negotiation during the Ma administration, which are essential for the mutual-trust building across the Taiwan Strait. After Tsai took the power, Beijing shut down all of the direct and regular official communication channels and platforms. For example, the institutional communication between Beijing's Taiwan Affairs Office (TAO) and Taipei's MAC, the only official channel between the two sides, was closed down on 20 May 2016. On the same day, the negotiation mechanism between the Association for Relations across the Taiwan Strait and the Straits Exchange Foundation, which has operated effectively for eight years, was suspended. After the historical 'Xi-Ma Meeting' in Singapore on 7 November 2015, the two sides set up a ministerial-level hotline between the TAO and the MAC and made the first conversation via the hotline on 30 December 2015 by Minister Zhang Zhijun, the then chief of the TAO, and Minister Xia Liyan, the then chief of the MAC. However, no one in Beijing will pick up the phone anymore. Nowadays, all of the official and semi-official communication mechanisms came to an infinite halt given Beijing's adamant adherence to the 'one China' principle versus Taipei's irreconcilable rejection of it.<sup>20</sup>

Controversy between the two sides has been inevitably augmented because of the absence of institutional communication. For example, in January 2018, Beijing decided to unilaterally launch the south-to-north operation of heavily trafficked M503 air route through the Taiwan Strait, and the extension of W121, W122 and W123 feeder routes from cities on the Mainland coast. In January 2015, Beijing proposed the initiation of the M503 flight route, approved by the International Civil Aviation Organization (ICAO) as a two-way route, to ease the crowded airspace and facilitate air travel. However, the proposal was opposed by the Ma administration since the routes were close to Taiwan's air-defense identification zone. Beijing suspended the plan until the two sides reached

<sup>&</sup>lt;sup>17</sup>Matt Yu and Joseph Yeh, 'Taiwan Makes Official Request to Buy New American Fighter Jets', *Global Security*, March 6, 2019, accessed May 13, 2019, https://www.globalsecurity.org/wmd/library/news/taiwan/2019/taiwan-190306-cna01.htm?\_m=3n% 252e002a%252e2520%252eyo0ao00i7x%252e2bil.

<sup>&</sup>lt;sup>18</sup>William Hetherington, 'US Ápproves Submarine License', *Taipei Times*, April 8, 2018, accessed May 13, 2019, http://www.taipeitimes.com/News/front/archives/2018/04/08/2003690901.

<sup>&</sup>lt;sup>19</sup>/President Tsai Wants Direct Security Talks with Japan', *The China Post*, March 2, 2019, accessed May 15, 2019, https://chinapost.nownews.com/20190302-520064.

<sup>&</sup>lt;sup>20</sup>Fengshan An, Guotaiban: daozhi liang'an lianxi goutong jizhi tingbai de zeren wanquan zai taiwan yifang' ['TAO: Taiwan should be solely responsible for causing the termination of cross-Strait communication mechanisms], zhonggong zhongyang renmin zhengfu [Gov.cn], June 29, 2016, accessed May 15, 2019, http://www.gov.cn/xinwen/2016-06/29/content\_5086690.htm.

a compromise through a two-month consultation. Beijing agreed to launch only southbound flights on route M503, put on hold three connecting lines, and moved the route 6 nautical miles closer to the mainland. Since the first flight took off on the M503 flight route in March 2015, Beijing, although frustrated by the air traffic congestion, maintained the arrangement for several years because of Taipei's complaint. In face of Beijing's unilateral change without 'prior consultation' with Taipei as before, the Tsai administration severely protested that was a break of the 2015 compromise and urged Beijing to sit down for a formal consultation, nevertheless, such a demand was ignored by Beijing because of the lack of 'political base for consultation', in another word, the acceptance of the 'one China' position by Taipei. 21 In retaliation for not being consulted, the Tsai administration refused to approve the mainland airlines' application for additional Spring Festival charter flights and led to the cancellation of 176 cross-Strait charter flights ahead of the Lunar New Year. As a result, 50,000 Taiwanese living and working on the mainland were stranded and had to find other way to go back to Taiwan for family reunion.

Thirdly, the resurgence of 'international space competition'. Ever since 1949, the tug-of-war on global arena for international space between Beijing and Taipei has never stopped except a temporarily freeze after the two sides reached a tactic 'diplomatic truce' when Ma came into power in 2008. It is believed that the intention of some of Taipei's remaining allies to approach Beijing with requests to switch their diplomatic recognition had been declined by Beijing in order to support Ma and preserve the cross-Strait stability. However, half a year after Tsai's inauguration, the 'diplomatic truce' crumbled when Beijing began to make concerted and multi-frontier efforts to squeeze the 'international space' of Taiwan to display its discontent with Tsai's consistent denial of the 'one China' principle.

The first frontier is the 'diplomatic allies' competition'. The termination of Sao Tome and Principe's 'diplomatic relation' with Taipei in December 2016, and the prompt establishment of official ties between the former and the PRC five days later sent the first signal of the abandonment of the 8-year long 'diplomatic truce'. On 13 June 2017, Panama, one of the most important diplomatic allies of Taiwan for 106 years, and the PRC governments released a joint declaration of establishing diplomatic relations, while simultaneously 'cutting off any official relations and contacts with Taiwan administration'.<sup>22</sup> Currently, Taiwan's remaining allies have reduced to 17 after Dominican Republic, Burkino Faso and El Salvador followed the suit to severe their diplomatic ties with Taipei in 2018. As one of Taiwan's strongholds of diplomatic support, there are still 6 island states in the Pacific area that officially recognize Taipei rather than Beijing. However, it is reported that, Pacific island states are seeking to 'collectively engage' with Beijing for better and stronger relations.<sup>23</sup> As Wu Zhaoxie, the Foreign Minister of Taipei, warned on 4 March 2019, its official relations with several existing diplomatic allies are 'unstable' even though Taipei has tried its best to preserve. It is no surprise to see more states that still recognizing Taiwan to shift their diplomatic positions in the near future.

The second frontier is the participation of Taiwan administration in various international organizations. Under the administration of President Ma, Taipei was invited, with the assistance and permission from Beijing, to participate in the World Health Assembly meeting with observer status from 2009 to 2016, and the International Civil Aviation Organization meeting as a guest in 2013. Based on the '1992 consensus' and cross-Strait consultation, Taiwan also gained access to broader international space and higher global visibility, including taking part in more international events in

<sup>&</sup>lt;sup>21</sup>Bihui Chiu, 'China vs. Taiwan—controversy over flight route M503 , *Dangwen*, February 2, 2018, accessed March 3, 2018, https://www.dw.com/en/china-vs-taiwan-controversy-over-flight-route-m503/a-42430594; 'Mainland Defends Air Route M503 South-to-north Operation to Accord with Common Interests across Taiwan Strait', Xinhua Net, January 17, 2018, accessed May 17, 2019, http://www.xinhuanet.com/english/2018-01/17/c\_136903168.htm.

<sup>222</sup> WHO Déjà Vu: Taiwan not invited to World Health Assembly', *The Diplomat*, May 13, 2017, accessed March 7, 2019, http:// thediplomat.com/2017/05/who-deja-vu-taiwan-not-invited-to-world-health-assembly/.

<sup>&</sup>lt;sup>23</sup>Nicola Smith and Jonathan Pearlman, 'Pacific Islands may Pivot to China, as Beijing Seeks to Isolate Taiwan', *The Telegraph*, February 16, 2019, accessed March 8, 2019, https://www.telegraph.co.uk/news/2019/02/16/pacific-islands-may-pivot-chinabeijing-seeks-isolate-taiwan/.

a pragmatic manner, bidding for and hosting international games, such as the successful bidding for the 29<sup>th</sup> 2017 Taipei Summer Universiade, and the first 2019 Taichung East Asian Youth Games.

On the heel of the degradation of the cross-Strait relations, since the DPP refused to accept the 'one China' position, Beijing has blocked the WHA (2017 and 2019) and ICAO (2016) from issuing invitations for Taipei to participate in their assembly meetings. Given Beijing's resolute opposition, Taipei was also excluded from a series of international assemblies, including the April 2016 World Steel Conference in Brussels, Belgium, the November 2016 assembly meeting of the United Nations Framework Convention on Climate Change in Paris, France, as well the May 2017 International Kimberley Process annual meeting in Perth, Australia, etc. From then on, Taipei's international participation has been visibly restricted by Beijing's opposition and intervention.

The third frontier is the name rectification of Taiwan's foreign offices and institutes. To the countries with official relations with the PRC, Beijing asked them to prevent Taipei from illegally or improperly using the terms 'Republic of China (ROC)' or 'Taiwan' in their unofficial office names, in order to prevent Taipei to be misinterpreted as an independent state or government alike the PRC. In January 2017, Taipei's quasi-embassy which entitled as 'Business Delegation of the ROC in the Federal Republic of Nigeria' was demanded by Nigerian government to rename as 'Trade Representative Office of Taipei in Lagos', as well to move out of Abuja, the capital of Nigeria, to Lagos city, the economic center of this country. Subsequently, some other foreign offices of Taiwan administration with ROC or Taiwan in their names, such as Jordan, Bahrain, Ecuador, the United Arab Emirates, Papua New Guinea and Fiji were required by host governments to change their names into 'Trade Representative Office of Taipei' in accordance with the 'one China' policy.<sup>24</sup> Meanwhile, the name-rectification competition also extended into the business circle. For example, in April 2018, 44 foreign airline companies were instructed by Chinese Civil Aviation Administration to stop using 'Taiwan' or 'Taiwan ROC' when they refer to Taiwan on their official websites. Before 25 July 2018, the deadline set by Beijing, most of the airlines complied with this rectification requirement adjusted in different ways to avoid using any nomenclature that would implicitly suggest acknowledgement of Taiwanese sovereignty.<sup>25</sup>

### **Track of Engagement in Low-Political Areas**

Despite the confrontational approaches adopted in security, political and diplomatic areas after Tsai took office, Beijing has, to a large extent, chosen to continue its engaging and accommodative policy in economic, cultural and social areas. During the Ma administration, economic, cultural and social exchanges between the mainland and Taiwan has witnessed a booming development right after the implementation of the 'Three Direct Links' in 2008, and strengthened by more than a dozen agreements to regulate and facilitate the ever-growing interactions. Even though discontent with Tsai's mainland policy, Beijing still believes the economic cooperation and civil exchanges are the irreplaceable stabilizer and damper for the turbulent cross-Strait relations. Compared with the close business, cultural and personal links under the Ma administration, there was no doubt that the two-way economic and social exchanges were somewhat cooling down since 2016, especially involving the mainland investment and tourists to Taiwan, because of the increasing tension across the Strait.

<sup>&</sup>lt;sup>24</sup>The institutions of the Taiwan authorities in these countries are named by 'Republic of China (ROC)' except its office in Bahrain is named by 'Taiwan'. Until July 13, 2019, the names of business institutions of Taiwan authorities in all aforementioned countries were renamed 'Trade Representative Office of Taipei' as requested by host governments.

<sup>&</sup>lt;sup>25</sup> Juecheng Zhao, Haichuan Du and Wei Zhou, 'Qixian zuihou yitian, waihang "quanti gengming", zhongfang: dui zhenggai judong jiyu kending' ['All the Foreign Airlines Rectified the Name before the Deadline, China Gave Affirmation to that], Global Times, July 26, 2018, accessed May 20, 2019, http://world.huanqiu.com/exclusive/2018-07/12575296.html?agt=15438.

<sup>&</sup>lt;sup>26</sup>Stan Hok-wui Wong and Nicole Wu, 'Can Beijing Buy Taiwan? An Empirical Assessment of Beijing's Agricultural Trade Concessions to Taiwan', *Journal of Contemporary China* 25(99), (2016), pp. 353–371; Yi-Wen Yu, Ko-Chia Yu and Tse-Chun Lin, 'Political Economy of Cross-Strait Relations: Is Beijing's Patronage Policy on Taiwanese Business Sustainable?', *Journal of Contemporary China* 25(99), (2016), pp. 372–388.

However, Beijing has neither suspended or abolished any cross-Strait agreements ranging from the Economic Cooperation Framework Agreement, judiciary cooperation to investment protection, nor completely cut off the civil communication and local exchanges.<sup>27</sup> Although inflamed by the DPP's repudiation of the 'one-China' principle, Beijing decided to widen and deepen 'integrated development' (ronghe fazhan) across the Taiwan Strait mainly by unilateral approach, instead of expecting mutual efforts and reciprocal measures from Taipei. In the report to the 19<sup>th</sup> National Congress of the Chinese Communist Party (CCP) delivered by President Xi in October 2017, Beijing proclaimed to further 'expand cross-Straits economic and cultural exchanges and cooperation for mutual benefits', with prominent emphasis on ensuring people from Taiwan to 'enjoy the same treatment as local people when they pursue their education, start businesses, seek jobs, or settle on the mainland'.<sup>28</sup> In his 2 January 2019 speech, Xi reiterated that the mainland will 'treat Taiwan compatriots equally', and ensure people and enterprises from Taiwan 'receive the same treatment as those from the mainland'.<sup>29</sup> On 15 March 2019, Premier Li Kegiang announced again that Beijing intends to introduce more preferential policies toward Taiwanese to attract them to come to the mainland.<sup>30</sup>

In accordance with the aforementioned guiding doctrine, the mainland unveiled 31 preferential measures on 28 February 2018, covering fields of industry, finance and taxation, land use, employment, education and health care. The essential objective of Beijing is to integrate Taiwan more closely with the mainland economically and socially by granting Taiwanese and their companies more 'national treatments' for career development as their mainland counterparts, including investing in state-owned enterprises, taking part in the Belt and Road Initiative and the Made in China 2025 project, initiating innovative start-ups, easier access to mainland cultural industries, less restrictions on film-making investment, better protection of Taiwanese patents, etc.<sup>31</sup> Since the introduction of the 31 preferential measures, it is reported that more than 2,000 enterprises with investment from Taiwan have enjoyed preferential tax treatment on the mainland and more than 100 enterprises have secured special financial support under programs for industrial transformation and upgrading, green manufacturing and intelligent manufacturing.<sup>32</sup> Additionally, Beijing annulled administrative restrictions on high-skilled professionals and technical personnel from 134 listed professions in order to attract as many welleducated Taiwanese as possible to open businesses and lead a life on the mainland. As of 1 September 2018, Taiwan residents who have lived in mainland China for six months or more with stable job and accommodation are eligible to apply for a residence permit. Upon granting of the residence permit, the permit holders can enjoy better public services and will be given access to three basic rights, six services and nine further facilitation measures, including social insurance, employment, education and medical care.33 Another recent example of Beijing's determination and sincerity is the introduction of the 36 measures unveiled by the Supreme People's Court of mainland China on 27 March 2019, just two weeks after Premier Li's proclamation. The 36 measures intended to provide judicial service for Taiwanese by

<sup>&</sup>lt;sup>27</sup>Lei Zhu, 'Shixi liang'an jinrong hezuo xianzhuang yu gianjing' ['Current Status and prospects of cross-Strait financial exchanges and cooperation'], Taiwan yanjiu [Taiwan Studies] 2, (2018), pp.49–54; Yonghui Xue, 'Haixia liang'an sifa huzhu: chengxiao yu tiaozhan' ['Cross-Strait judicial assistance: Achievement and challenges'], Taiwan yanjiu [Taiwan Studies], 3, (2018), pp.48–57.

<sup>&</sup>lt;sup>28</sup>Jinping Xi, 'Xi Jinping zai zhongguo gongchandang di shijiu ci quanguo daibiao dahui shang de baogao' ['Report at the Nineteenth National Congress of the CPC'].

<sup>&</sup>lt;sup>29</sup>Jinping Xi, 'Xi Jinping zai "gao Taiwan tongbao shu" fabiao sishi zhounian jinianhui shang de jianghua' ['the Speech on the 40<sup>th</sup> Anniversary of the Publication of "Message to Compatriots in Taiwan"'].

<sup>&</sup>lt;sup>30</sup>Mengiie Yan and Yuke Zhang, 'Guowuyuan zongli Li Keqiang da zhongwai jizhe wen shilu' ['Record of Premier Li Keqiang's Answers on Chinese and Foreign Press Conference'], Renmin wang [Renmin Net], March 15, 2019, accessed May 1, 2019, http:// npc.people.com.cn/n1/2017/0315/c14576-29147139-16.html.

<sup>&</sup>lt;sup>31</sup>Gunter Schubert, 'China's 31 Preference Policies for Taiwan, an Opportunity, no Threat', *Taiwan Insight*, March 21, 2018, accessed March 9, 2019, https://taiwaninsight.org/2018/03/21/chinas-new-31-preference-policies-for-taiwan-an-opportunity-

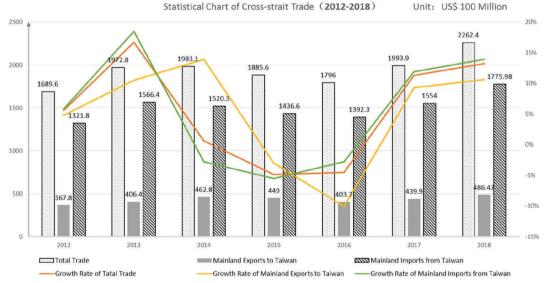
<sup>&</sup>lt;sup>32</sup>Liping Gu, 'Trade across Taiwan Strait Record High in 2018: spokesperson', Xinhua Agency, January 16, 2019, accessed March 12, 2019, http://www.ecns.cn/news/2019-01-16/detail-ifzcuekn4076038.shtml.

<sup>&</sup>lt;sup>33</sup>'HK, Macao, Taiwan residents eligible for residence permit', the State Council of the People's Republic of China, August 16, 2018, accessed September 2, 2018, http://english.www.gov.cn/state\_council/ministries/2018/08/16/content\_281476263616512.htm.

addressing the judicial difficulty of the implementation of the 31 preferential measures, among which 'twelve of them are for fully ensuring litigation rights of Taiwan compatriots, with nine providing them with quality judicial service, seven for further enhancing safeguard mechanism and eight for promoting cross-Straits judicial exchange'.<sup>34</sup>

Following the central government's policies, 24 provinces and 72 cities on the mainland subsequently introduced hundreds of measures for implementation by the end of February 2019.<sup>35</sup> For instance, as one of the key pivots for cross-Straits economic and trade exchanges where more than 12,488 Taiwan-funded enterprises have been established by 2018, Shanghai released 55 local favorable policies in June 2018. With these new measures, Shanghai enables Taiwan law professionals to participate in the mediation of commercial cases involving Taiwan entrepreneurs, allows the city's arbitration institutions to hire Taiwan professionals, and encourages Taiwan-funded enterprises to take part in Shanghai's key development projects.

Beijing's accommodative efforts achieve effective results. After a temporary slide in 2016, the cross-Strait trade quickly resumed upward momentum in 2017.<sup>36</sup> The trade volume rose to 199.4 billion US dollars, up 11.3 percent from 2016. Mainland exports to Taiwan totaled US\$ 43.9 billion, a 9.3 percent year-on-year increase, and imports from Taiwan stood at US\$ 155.4 billion, up 11.9 percent. Taiwan's trade surplus increased 15.4 percent than 2016. In 2018, the cross-Strait trade volume set a historical record and totaled 226.2 billion US dollars, an increase of 13.2 percent than 2017. Mainland exports to Taiwan totaled US\$ 48.6 billion, a 10.6 percent year-on-year increase, and imports from Taiwan stood at US\$ 177.6 billion, up 13.9 percent. Taiwan's trade surplus with the mainland amounted from US\$ 111.5 billion in 2017 to 128.9 billion, an increase of 15.6 percent than 2017.<sup>37</sup> In 2016, Taiwan was the mainland's seventh largest trade partner and sixth biggest source of imports. In 2018, Taiwan



Source: data from the National Statistical Bureau, Ministry of Commerce and Customs Office of the PRC.

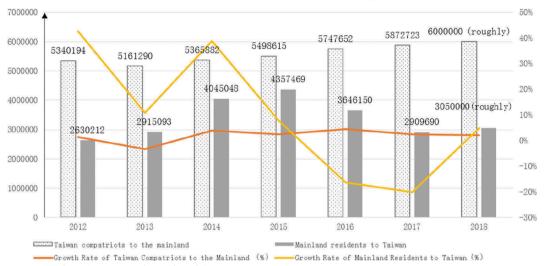
<sup>&</sup>lt;sup>34</sup>/Mainland to introduce more preferential policies for Taiwan compatriots', *China Daily*, March 27, 2019, accessed April 21, 2019, http://www.chinadaily.com.cn/a/201903/27/WS5c9b36e4a3104842260b2e9e.html.

<sup>&</sup>lt;sup>35</sup>For instance, Fujian Province introduced 66 preferential measures, Tianjin City, 52 measures, Zhejiang Province, 76 measures; Hubei Province 62 measures; Xiamen City, 60 measures, Ningbo City, 80 measures, etc.

<sup>&</sup>lt;sup>36</sup>In 2016, the trade volume between the Chinese mainland and Taiwan was US\$ 179.6 billion, down 4.5 percent from 2015. Mainland exports to Taiwan totaled US\$ 40.4 billion, a 10.1 percent year-on-year drop, and imports from Taiwan stood at US\$ 139.2 billion, down 2.8 percent. (Data received from: 'Cross-Strait trade down 4.5 pct in 2016 , *Xinhua Agency*, February 4, 2017, accessed March 12, 2019, http://www.xinhuanet.com//english/2017-02/04/c\_136031643.htm.

<sup>37</sup>Liping Gu, 'Trade across Taiwan Strait Record High in 2018: spokesperson'.

#### Statistical Chart of Cross-strait Personnel Exchanges (2012-2018)



Source: data from the Taiwan Affairs Office of the PRC.

rose to the fifth largest trade partner and the third biggest source of imports of the mainland, while mainland has remained the biggest trade partner and source of surplus of Taiwan.

Discouraged by the deterioration of the cross-Strait relations, the number of mainland tourists to Taiwan plummeted from 4.36 million in 2015, a historical record, to 3.64 million in 2016, a drop-off of 19.5 percent. In 2017, the number slumped to 2.9 million and reached the lowest point since 2012. However, in contrast with the decreasing mainland visitors to Taiwan, the personnel exchanges across the Strait have not dwindled because of the steady swelling of Taiwan visitors to the mainland. For example, in 2018, more than 9 million people traveled across the Strait. The mainland received 6 million Taiwanese visitors, including 400,000 Taiwanese who paid their first visit to the mainland, both soared to record high.<sup>38</sup>

In terms of the investment, the mainland approved 3,517 Taiwan-invested projects in 2016, with the actual use of Taiwanese capital reaching 1.96 billion U.S. dollars, up 27.7 percent from the previous year.<sup>39</sup> In 2017, 3464 Taiwan-invested projects had been approved and US\$ 1.77 billion Taiwanese capital was actually used, with the drop of 1.5 percent and 9.7 percent respectively because of the stricter scrutiny of the Tsai administration.<sup>40</sup> Even though inspired by mainland's preferential policies and measures, a total of 4911 projects had been approved in 2018, up 41.8 percent dramatically, nonetheless, the actual use of capital from Taiwan reduced to US\$ 1.39 billion, down 21.5 percent. However, taking the investment transited from the third-place into account, the actual use of Taiwan funds by the mainland in 2018 reached US\$ 5.03 billion, an annual increase of 6.4 percent.<sup>41</sup> The investment from Taiwan enterprises has not been substantially strangled by the aggravating cross-Strait relations.

<sup>&</sup>lt;sup>38</sup>Xiaoguang Ma, 'Guotaiban yi yue shiliu ri jizhehui quanwen' ['the Full Text of the Press Conference held by TAO on January 16, 2019 ], *CRNTT*, January 16, 2019, accessed May 18, 2019, http://www.crntt.com/doc/1053/0/9/3/105309331.html?coluid= 1&kindid=0&docid=105309331&mdate=0116113724. On July 30, 2019, Beijing declared to suspend the approval of the individual tourist application from all the 47 mainland cities, an action that will dramatically reduce the tourist numbers from the mainland to Taiwan.

<sup>&</sup>lt;sup>39</sup>/Cross-Strait trade down 4.5 pct in 2016 , *Xinhua Agency*, February 4, 2017, accessed March 12, 2019, http://www.xinhuanet.com//english/2017-02/04/c\_136031643.htm.

<sup>40,2017</sup> nian dalu yu Taiwan jingmao jiaoliu qingkuang' ['General Situation of Trade and Communication between mainland and Taiwan in 2017 ], Ministry of Commerce of the PRC, March 1, 2018, accessed May 18, 2019, http://tga.mofcom.gov.cn/article/sizl/taiwan/201806/20180602760893.shtml.

<sup>&</sup>lt;sup>41</sup>'2018 nian dalu yu taiwan jingmao jiaoliu qingkuang' ['General Situation of Trade and Communication between mainland and Taiwan in 2018 ], *Ministry of Commerce of the PRC*, January 18, 2019, accessed May 18, 2019, http://tga.mofcom.gov.cn/article/sjzl/taiwan/201901/20190102828082.shtml.

Instead, Beijing tries to encourage the Taiwanese companies to invest on the mainland and helps them to achieve industrial upgrade by providing preferential policies and reducing production cost and taxation burden. In March 2017, the world leading chipmaker, Taiwan Semiconductor Manufacturing Company (TSMC), invested US\$ 3 billion in Nanjing to establish a subsidiary managing a 12-inch wafer fab and a design service center, despite the severe opposition and repeated warning from the Tsai administration. As the TSMC Chairman Dr. Morris Chang explained that, with this first factory capable of producing 16 nanometer chips, it could help TSMC expand business opportunities in step with the rapid growth of the Chinese semiconductor market.<sup>42</sup> The United Microelectronics Corp, Taiwan's second-largest contract chipmaker, declared in July 2017 to invest US\$ 611 million to expand its factory in Xiamen City. Two months later, the Foxconn Technology Group, the world's largest electronics contractor, reached a cooperation agreement with Nanjing City government to invest US\$ 5.7 billion in the production of liquid crystal displays and intelligent terminal devices, and to conduct research and development in information technology. In May 2018, mainland China's securities regulator approved the application of Foxconn Industrial Internet Co., Ltd, a subsidiary of Foxconn Technology Group, for an initial public offering to issue 1.97 billion shares on the Shanghai Stock Exchange. The total investment of 27.253 billion RMB made the company a big winner in China's A-share market.<sup>43</sup>

The banking industries cooperation across the Taiwan Strait has also achieved steady progress despite the political deadlock. Since September 2010, a handful of private banks based in Taiwan received approval from the China Bank Regulatory Commission to set up branches on the mainland. However, the Taiwan-funded enterprises, especially small and medium-sized companies, have been universally vexed by difficulties in financing for many years because of the inefficient banking service and lagging financial cooperation between the two sides. After Minister Zhang Zhijun promised in February 2017 to give bigger market access to Taiwan's financial institutes, two Taiwanese banks, Chang Hwa Commercial Bank and Cathay United Bank, won approval to upgrade their branches in Nanjing and Shanghai to subsidiaries with independent entity quality in July. One year later, the Cathy United Bank celebrated the opening of its Shanghai subsidiary in September 2018, the first of Taiwan banks on the mainland, to specifically address the financing complaint of the Taiwan companies.

# **Track of Suppression against Pro-Independence Figures**

Civil and local exchanges and cooperation have been regarded by Beijing as an indispensable way to enhance cross-Strait mutual understanding and trust. During the Ma administrations, Beijing had neither prohibited pro-independence politicians and local leaders from conducting high-profile cross-Strait interactions, nor imposed visible restrictions on pro-DPP businessmen and public figures to make profit on the mainland. After the DPP returned to power, Beijing has relentlessly closed the door for any communication with the DPP high-ups and extended 'precision strike' to target those who publicly expressed pro-DPP or pro-independence views.

First, to disengage from Green Camp politicians. Since Ma took the office, Beijing had actively conducted dialogues and kept line of communication with some of the DPP leading figures and local governments under DPP's rule, without persisting in demanding them to endorse the 'one China' position publicly, in order to encourage the DPP politicians to pragmatically adjust their proindependence stance through in-depth interaction. For instance, Chen Chu, the mayor of Kaohsiung City and a prominent founder of the DPP, paid a visit to Beijing in May 2009 to promote the 2009 World Games in her hometown, the birthplace and a longstanding stronghold of the DPP.

<sup>&</sup>lt;sup>42</sup>Cheng-hui Chen, 'TSMC new Nanjing fab to ship earlier than expected', *Taipei Times*, December 11, 2017, accessed May 22, 2019, http://www.taipeitimes.com/News/biz/archives/2017/12/11/2003683759.

<sup>&</sup>lt;sup>43</sup>Lingqing Zhu, 'Foxconn to issue 1.97b shares on Shanghai Stock Exchange', China Daily, May 14, 2018, accessed April 16, 2019, http://www.chinadaily.com.cn/a/201805/14/WS5af8f298a3103f6866ee82e3.html.

During this trip, which made her the highest-ranking member of the DPP to travel to the mainland while in office, she was received by the mayor of Beijing, as well Minister Zhang Zhijun of the TAO. Her visit was also appraised as an 'ice-breaking' event for the party-to-party exchanges between the CCP and the DPP. At the invitation of Chen Chu, 148 mainlander sportsmen joined in the Kaohsiung World Games, the first international comprehensive sports meet held by Taiwan. In October 2012, the ex-DPP chairman and ex-Premier of the Executive Yuan, Hsieh Chang-ting was invited to visit the mainland and received by Minister Wang Yi, the then director of the TAO, aiming to 'hear the rational, positive and constructive opinions and advices about the cross-Strait relations' from the DPP leading figures. 44 Mayor Chen started her second trip to the mainland on 9 August 2013 to invite counterpart mainland mayors to attend the Asia-Pacific Cities Summit hosted by Kaohsiung in September. As a gesture of goodwill, five cities on the mainland, including Tianjin, Shenzhen and Xiamen, sent mayoral-level delegations to take part in the summit.<sup>45</sup> In June 2014, Lai Ching-te, the mayor of Tainan City and known for his outspoken pro-independence position, was invited to make his first visit to mainland China and attend the opening ceremony of an art exhibition in Shanghai. Mayor of Taoyuan City, Zheng Wen-can, a rising star of the DPP, set up the Taoyuan-Hong Kong exchange forum when he visited Hong Kong in May 2015 after he assumed the office in December 2014.

However, after the DPP resumed the presidency in 2016, Beijing began to place much stricter constraints upon the communication with the DPP politicians based on the explicit recognition of the 'one-China' principle. From then on, all the official interactions between the mainland and Taiwan's DPP administration, ranging from central to local governmental level, had stalled. Take the Kaohsiung as an example, even though Mayor Chen Chu tried to copy the successful 'Asia-Pacific Cities Summit model' and extend invitation to several mainland mayors to participate in the Global Harbor Cities Forum held in September 2016, no mainland city responded to her invitation. Similarly, the Taoyuan-Hong Kong exchange forum aforementioned was suspended, and the city-to-city cooperation in tourism, airline transportation, logistic industry, and convention and exhibition industry was blocked. In October 2014, with the assistance from Beijing, the East Asian Olympic Committee (EAOC) granted Taichung City the right to host the 2019 East Asian Youth Games, the first international multi-sport event for countries in East Asia organized by the EAOC. One month later, Lin Chia-lung, a deep-green heavyweight of the DPP, won the position of mayor of Taichung in the 'ninein-one' local election. However, Beijing has not taken any opposing actions, even though disappointed by the party alternation, until some Taiwanese groups in February 2018 started to push forward a referendum on using 'proper name', implying possible use of 'Republic of China' or 'Taiwan' rather than 'Chinese Taipei', to participate in future international sports events, including the 2020 Tokyo Olympic. Such a referendum proposal, allowed by the Tsai administration, was deemed by Beijing as a 'flagrant challenge' to the 'Olympic model', as well a provocative denial of the 'one China' principle. Given some political forces continued to push forward the 'referendum' after the International Olympic Committee reaffirmed that there was no chance to reconsider any change to the name of the Chinese Taipei Olympic Committee, at an emergency meeting of the EAOC convened by Beijing in July 2018, the EAOC decided to revoke the hosting right of Taichung for the 2019 East Asian Youth Games. 46

Second, to punish 'pro-independence entertainer'. In the past few decades, the cultural and artistic exchanges and cooperation across the Strait have increased rapidly. Numerous Taiwan artists came to the mainland for career development. However, with the deterioration of the cross-Strait

<sup>&</sup>lt;sup>44</sup>,Guowuyuan taiban zhuren Wang Yi 6 ri zai Beijing yu Hsieh Changting xiansheng jianmian' ['Wang Yi, the Director of TAO Received Hsieh Chang-ting on 6 October 2012 in Beijing'], Xinhuanet, October 7, 2012, accessed May 18, 2019, http://www.gov. cn/jrzg/2012-10/07/content\_2238538.htm.

<sup>&</sup>lt;sup>45</sup>In the hierarchical government system of mainland China, Tianjin is a provincial-level city, while both Shenzhen and Xiamen are vice-provincial-level cities.

<sup>&</sup>lt;sup>46</sup>/Taichung Loses Right to Host 2019 Games," *China Daily*, July 26, 2018, accessed March 21, 2019, http://www.chinadaily.com.cn/ a/201807/26/WS5b59056ca31031a351e902a9.html; Pei-ju Teng, 'Taichung Stripped of Right to Host East Asian Youth Games in Taiwan Due to Chinese Pressure', Taiwan News, July 24, 2018, accessed March 21, 2019, https://www.taiwannews.com.tw/en/ news/3489976.

relations, the pro-independence stance of some Taiwan entertainment industry figures, including singers, writers, actors and directors, etc., has repeatedly made themselves and their works subject to backlash. As early as July 2016, a famous Taiwanese actor, Leon Dai, has been fired in from a film titled No Other Love in which he played a leading role even though the shoot was already completed in June. The major critique of him was his 'ambiguous stance over the country and national identity', showcased by his support to the Sunflower Movement, a one-month protest happened in 2014 in Taiwan against the Cross-Strait Service Trade Agreement and closer relations between Taiwan and the mainland.<sup>47</sup> Similarly, the mainland 'netizens' (wangmin) launched a massive online campaign in January 2017, to boycott Village of No Return, a film directed by Taiwanese Chen Yu-Hsun, for his sympathetic attitude toward the Sunflower Movement, Right after Beijing revealed its 31 preferential measures to Taiwanese, including smooth the way for Taiwan's movie industry to collaborate with its mainland counterpart and provide unprecedented opportunities and access for cross-Strait film and television cooperation, TAO spokesman Fengshan An stated explicitly in March 2018 that Beijing 'would not permit the release of films in China whose production include entertainers who hold pro-Taiwan independence views and propagate pro-Taiwanese independence speech'. 48 It is the first time for the mainland to issue such a clear-cut warning to those so-called 'pro-Taiwan independence entertainer'. Consequently, on 29 March 2018, the screening of the Missing Johnny, a Taiwanese film stars Lawrence Ko and originally scheduled for release in April, had been 'indefinitely suspended' on the mainland, because of Ko's pro-Taiwan independence opinions and comments which have been exposed and spread on the mainland China's social media.<sup>49</sup>

Third, to target 'green businessmen'. For many decades, Beijing has laid down numerous preferential policies and special measures to facilitate Taiwan businessmen and companies doing business on the mainland, even if Beijing knew some of them are generous donators of the DPP and steadfast supporters of the pro-independence camp. However, Beijing's patience and tolerance gradually wore thin when more and more 'double-dealers' were exposed by mainlanders. As early as December 2015, the TAO stated clearly that Beijing 'will never allow a few Taiwan businessmen to make a profit on the mainland on one hand, but to support "Taiwan-independence" separatist behaviors and undermine the cross-Strait relations on the other hand'.<sup>50</sup> In December 2016, Minister Zhang Zhijun, the then director of the TAO, reiterated Beijing's opposition to 'double-dealers' who take advantage of mainland's preferential policies to make money while finance 'secessionist activities' in Taiwan.<sup>51</sup> In December 2016, Hai Pa Wang, a pro-green camp business group operating seafood restaurant chain both in Taiwan and mainland China with close ties to Tsai's family industry, was fined by the mainland local government for failing sanitation inspections. Even though Beijing insisted that it was a legal move and was not politically motivated, Hai Pa Wang, being accused as a 'Taiwan independence supporter', issued a public statement in the form of an advert in a Taiwan newspaper saying it 'firmly supports the idea that both sides of the Taiwan Strait belong to one China' and it 'has no relationship with President Tsai Ing-wen's family other than that between "a tenant and a landlord"'.<sup>52</sup> During Tsai's stay in Los Angeles in August 2018, her visit to a branch of the 85C Bakery Café, a Taiwan-based cafe chain which has over 600 outlets on the mainland, infuriated

<sup>&</sup>lt;sup>47</sup>·Taiwanese Actor Dropped from Chinese Film After Political Outcry', *The Guardian*, July 15, 2016, accessed March 14, 2019, https://www.theguardian.com/film/2016/jul/15/taiwanese-actor-dropped-china-no-other-love-independence.

<sup>&</sup>lt;sup>48</sup>'Guotaiban 2018 nian 3 yue 28 ri xinwen fabuhui jilu' ['The Complication of News Conference Held by TAO on March 28, 2018)'], *TAO*, March 28, 2018, accessed March 25, 2019, http://www.gwytb.gov.cn/xwfbh/201803/t20180328\_11937820.htm.

<sup>&</sup>lt;sup>49</sup>Shih-ying Hsu and Jonathan Chin, 'Taiwanese Film Banned from Chinese Theaters', *Taipei Times*, March 29, 2018, accessed March 14, 2019, http://www.taipeitimes.com/News/front/archives/2018/03/29/2003690250.

<sup>&</sup>lt;sup>50</sup>/Guotaiban 2015 nian 12 yue 30 ri xinwen fabuhui jilu' [The Complication of News Conference Held by TAO on December 30, 2015 ], *TAO*, December 30, 2015, accessed March 25, 2019, http://www.gwytb.gov.cn/xwfbh/201512/t20151230\_11345139. htm.

<sup>&</sup>lt;sup>51</sup>Zhijun Zhang, 'juebu yunxu taishang dalu zhengqian, huitai que zhichi "taidu" ['It is intolerable for Taiwan Businessmen to Earn Money in Mainland while Supporting "Taiwan Independence" when Coming Back '], *Global Times*, December 2, 2016, accessed May 18, 2019, http://news.163.com/16/1202/21/C7AFF8GH0001875N.html.

<sup>&</sup>lt;sup>52</sup>Liang-sheng Lin and Jonathan Chin, 'Hai Pa Wang move might trigger "one China" domino effect,' *Taipei Times*, December 10, 2016, accessed June 3, 2019, http://www.taipeitimes.com/News/taiwan/archives/2016/12/10/2003660927.

the mainland consumers as another example of the Taiwanese company who is 'trying to rake in Chinese money' while 'supporting Taiwanese independence'. Following the online appeal for a boycott on its mainland stores by mainland netizens, the company posted a statement on its Chinese-language website to endorse its 'firm support for the 1992 consensus' and 'the belief that the two sides of the Strait are one family'. 53

#### Track of Accommodation to Non-Green Camp Forces

For many years, the mainland leadership has reiterated that 'no political party, group or individual in Taiwan will have any difficulty in conducting exchanges with the mainland', provided they recognize the '1992 Consensus' and that 'the two sides both belong to one China'. <sup>54</sup> On the basis of adhering to the 'one China' principle, Beijing started to promote party-to-party contacts with the then opposition parties of the Pan-Blue camp in Taiwan, including the KMT, People First Party and New Party, amid the cross-Strait turbulence during the Chen Shuibian administration. Beijing's endeavor culminated in the meeting between President Hu Jintao and then KMT chairman Lien Chan in April 2005 in defiance of the opposition of the Chen administration.

After the DPP clutched the reins of central power in 2016, Beijing, on one hand, continued regular dialogue with the pan-Blue Camp via the existing 'second rail' mechanism, such as the KMT-CCP Forum, to maintain mutual trust and political consensus. On the other hand, in contrast with the closed-door policy on multi-layered exchanges with the green-camp politicians, Beijing turns to strengthen its active engagement with the local mayoral and county governments under the reign of the KMT. In September 2016, a delegation comprised eight magistrates and mayors mainly from KMT-controlled cities and counties recognizing the 1992 consensus was invited to visit Beijing, aiming to explore opportunities for exchanges and cooperation in the areas of economy, culture and tourism.<sup>55</sup> Beijing is also actively advocating the 'four links' (Sitong) from coastal areas in Fujian province to Kinmen and Matsu, two long-term strongholds of the KMT in Taiwan, that is, the construction of sea-crossing bridges, as well supplies of water, electricity and gas. In August 2018, Kinmen Island, haunted by water shortage for decades, opened a pipeline to receive fresh water supply from Jinjiang City, Fujian province. Matsu, with an even worse freshwater supply and reserve problem, is also looking forward to imitating Kinmen to be connected to the mainland water supply system. Additionally, both Kinmen and Matsu are trying to connect with mainland electricity and gas grid, a project endorsed and coordinated by Fujian provincial government, to support its growing population and local economy.<sup>56</sup> The leaders of the Taichung City and Nantou County, where KMT regained the power after the 2018 local election, visited the mainland successively in March 2019 to expand the local agricultural products exportation to the mainland by signing chunky orders and opening 'green-channels' for products transportation and sale. From March 22 to 28, 2019, the newelected KMT Kaohsiung mayor Han Kuo-yu, who unequivocally expressed his endorsement of the '1992 Consensus' during his campaign, set foot on Hong Kong, Macao and Chinese mainland. During

<sup>&</sup>lt;sup>53</sup>Stacy Hsu, 'Amid Chinese ire, 85°C backs "consensus"', *Taipei Times*, August 16, 2018, accessed April 1, 2019, http://www. taipeitimes.com/News/front/archives/2018/08/16/2003698599.

<sup>&</sup>lt;sup>54</sup>Jinping Xi, 'Xi Jinping zai zhongguo gongchandang di shijiu ci quanguo daibiao dahui shang de baogao' ['Report at the Nineteenth National Congress of the CPC']; Jinping Xi, 'Xi Jinping zai "gao Taiwan tongbao shu" fabiao sishi zhounian jinianhui shang de jianghua' ['the Speech on the 40<sup>th</sup> Anniversary of the Publication of "Message to Compatriots in Taiwan"].

<sup>55,</sup> Local Government Heads Arrive in Beijing for Talks', *Taipei times*, September 18, 2016, accessed May 23, 2019, http://www. taipeitimes.com/News/taiwan/archives/2016/09/18/2003655377.

<sup>&</sup>lt;sup>56</sup>As early as 2009, Kinmen county government had proposed to build a road bridges between Kinmen and Xiamen on the mainland. However, this proposal has been denied by Taipei. (Information received from: Xun Jiang and Weijing Yuan, 'jinma tuidong tongyi xianfeng, liang'an guanxi zuixin bianshu' ['Kinmen and Matsu could be Pioneers in Promoting Reunification, a New Variable of Cross-Strait Relations'], Yazhou zhoukan [Asia Weekly], March 10, 2019, accessed May 6, 2019, http:// theintellectual.net/zh/political/asia-weekly/1846-kinmen-and-matsu-to-promote-cross-strait-relations-unified-vanguard-of-the -latest-variable-xun-jiang-yuan-wei-jing.html; Nick Aspinwall, '6 Km from China, Taiwan's Kinmen Charts Its Own Path', the Diplomat, September 4, 2018, accessed May 23, 2019, https://thediplomat.com/2018/09/6-km-from-china-taiwans-kinmencharts-its-own-path/.

his meeting with Minister Liu Jieyi of the TAO in Shenzhen City, Guangdong Province, he reasserted that the '1992 consensus' is the 'anchor of cross-Strait relations' and mainland is the key to Taiwan's prosperity and people's well-being. In response, Minister Liu stated that mainland will continue to share development opportunities with Taiwan residents and increase people's 'sense of gain' on the basis of adhering to the 'one China' principle.<sup>57</sup> In his weeklong visit, Mayor Han signed trade deals worth more than NT\$5.2 billion (US\$170 million), and agreed to launch Kaohsiung-Shenzhen Twin-City Forum, and Kaohsiung-Xiamen Twin-Harbor Forum as new institutional mechanism to enhance trade, tourism, education, cultural exchanges between the two sides. New direct flight and cruise route between Kaohsiung and mainland cities are under negotiation, which might bring more tourists to visit Kaohsiung.

In addition to Beijing's close engagement with the local blue camp governments and figures, a new and prominent characteristic of its accommodative policy toward non-green camp political forces is Beijing's more encompassing and flexible outreach to apolitical, or politically nonindependence leaning, groups in Taiwan. In 2014, Ko Wen-je, a surgery doctor who has no political experience, campaigned and captured a landslide victory in Taipei mayoral race as an independent. Ko's victory was observed as the symbol of the rise of the 'middle force' representing the people who is tired of the fierce partisan struggle between the Green and Blue camp in Taiwan political arena.<sup>58</sup> By the time Ko won the mayorship, Beijing was very vigilant against his pro-DPP stance and rhetoric, such as the proposal for a 'two countries, one system' formula, and the opinion that '1992 consensus' is 'a consensus without consensus', etc. Despite his ideological inclination, Ko's non-partisan nature provided him much greater flexibility to adjust his rhetoric about the cross-Strait relations. Ko's statement of 'understands and respects the "1992 consensus", and endorsement of Beijing's doctrine that the two sides of the Taiwan Strait are 'one family' and 'sharing a common destiny' soon after taking office thereupon received positive response from Beijing, even though his terminology was basically an ambiguous reference, instead of a direct concession, to the 'one China' principle. On the face of it, Beijing decided to extend olive branch to Ko, a long-lasting DPP supporter who identified himself as a 'dark-green' figure in terms of his political stance. In August 2015, Ko was welcomed by the mainland to attend in the Shanghai-Taipei Forum, the first cross-Strait city-to-city exchange platform initiated in 2010 by then-Taipei Mayor Hau Lung-pin. From then on, this annual twin-city forum has been held continuously and survived the deteriorating relations as the highest official channels after the DPP returned to power in May 2016.<sup>59</sup> It also made Ko's positive and constructive interaction with the mainland possible. For example, when Ma was still in the office, KMT-controlled Taipei municipal government won the right to host the 2017 Universiade in 2011. In the context of the cross-Strait détente, Beijing helped Taipei to compete against the other rival bidders in order to increase Taipei's global visibility. However, by the time Taipei's Universiade opened in August 2017 when the DPP was already in the saddle and the cross-Strait relations were strained, Beijing decided to cooperate with Ko, instead of launching a total boycott, to reward his flexible attitude about the cross-Strait relations. Although mainland sportsmen delegation 'technically evaded' to show at the Opening Ceremony during which Tsai Ing-wen was introduced to the spectators as 'President', Beijing none the less displayed goodwill by sending about 200 sportsmen and coaches to take part in the event. 60 One month after Ko won the re-election with a scanty margin

<sup>&</sup>lt;sup>57</sup>Yi Zhang, 'Exchanges with Taiwan will Benefit "One Family", *China Daily*, March 26, 2019, accessed May 18, 2019, http://www.chinadaily.com.cn/a/201903/26/WS5c9964ada3104842260b278d.html.

<sup>&</sup>lt;sup>58</sup>Baoyun Chai and Xuan Zhang, 'Taiwan xuanmin de zhengdang rentong jiqi yingxiang yinsu: jiyu 2014 nian Taiwan "jiuheyi"x-uanju de fenxi' ['The party identification of Taiwan voters and its influencing factors: analysis based on the 'Nine in One' election of Taiwan in 2014 ], *Taiwan Yanjiu* [*Taiwan Studies*] 1, (2018), pp.29–39; Lixian Yang, 'Ko Wen-je xianxiang tantao']'A Close Look into the "Ko Wen-je Phenomenon" and Its Impact on Taiwan's Party Politics'], *Taihai Yanjiu* [*Cross-Taiwan Strait Studies*] 3, (2015), pp.30–38.

<sup>&</sup>lt;sup>59</sup>L-chia Lee, 'Ko Adds Principle for Shanghai-Taipei Forum', *Taipei Times*, June 26, 2017, accessed March 20, 2019, http://www.taipeitimes.com/News/taiwan/archives/2017/06/26/2003673324.

<sup>&</sup>lt;sup>60</sup>Alan Bairner, '2017 Taipei Universiade: the political power of sport in Taiwan', *Taiwan Insight*, April 10, 2018, accessed March 21, 2019, https://taiwaninsight.org/2018/04/10/2017-taipei-universiade-the-political-power-of-sport-in-taiwan/.

in November 2018, Beijing, at Ko's pressing invitation, agreed to send an upgraded delegation led by Shanghai Executive Vice Mayor Zhou Bo to take part in the forum held in Taipei. The two cities signed three memorandums, in addition to the other 30 signed in the previous eight forums, to further improve the civic exchanges covering sports, film and urban development.<sup>61</sup> On 6 June 2019, Ko, widely perceived as a promising challenger for the upcoming 2020 presidential election, stated explicitly that the relation between the mainland and Taiwan is neither 'foreign relation', nor 'state-to -state relation', and 'one China is not a problem'. 62 His statement was welcomed by Beijing and paved the way for the latest Shanghai-Taipei Forum scheduled in July 2019 in Shanghai. 63 Given the rise of the 'middle force' in Taiwan's political spectrum going beyond the traditional 'Blue vs. Green' structure, Beijing's active engagement with Ko carries particular political significance. Based on its understanding of the prospect of political transformation in Taiwan, Beijing tries to display more pragmatism and flexibility by expanding engagement with various non-traditional politicians if they would not endorse Taiwan independence, rather to focus solely on keeping ties with the KMT or the pan-Blue camp as before.

## Conclusion: Challenges for Mainland China's Dual-track Policy

Beijing's insistence on the acceptance of the 'one China' principle combined with Taipei's repudiation of the '1992 Consensus' since the DPP resumed power in 2016 has pushed the cross-Strait relations into a deadlock. Beijing believes the Tsai administration, under the ambiguous discourse of 'maintaining the status quo', is essentially trying to push forward the 'incremental Taiwan independence' in a salami-slicing way and institutionalize Taiwan's de facto independence. Thus, Beijing decided to tighten the noose on Taipei to contain the pro-independence momentum, including escalating military deterrence toward Taiwan, adopting no-contact policy by cutting off all levels of political communications, isolating Taiwan from the international community by resuming competition for diplomatic allies, demanding foreign companies to erase references to Taiwan, as well restricting Taiwan's participation in multiple international organizations. In addition, Beijing also extended the campaign of pressuring to a much wider range than before, including disengagement with the local governments under the reign of the DPP, blacklisting pro-independence entertainment industry figures, and 'precision punishment' of pro-green camp businessmen.

Even though determined to make the Tsai administration pay a heavy price for refusing to endorse the '1992 consensus', Beijing steadily maintained and strengthened its engagement policy in economic, social, cultural fields by introducing a series of favorable measures, aiming to incorporate Taiwan deeply and closely into its economic orbit. It explains why the cross-Strait trade, as well Taiwan's investment and visitors to the mainland achieved significant progress in spite of the freezing political faceoff since the DPP resumed office. At the same time, Beijing intensified its accommodative approaches to non-green camp forces in Taiwan, ranging from the pan-blue camp politicians and the 'white force' which has no strong partisan affiliation in order to avoid clean rupture of the cross-Strait relations.

Undoubtedly, Beijing's dual-track policy, holding out promises to share economic opportunities with Taiwanese while also ratcheting up pressure upon the Tsai administration, has inevitably brought forth some counterproductive consequences.

First, Beijing's pressure in security, political and diplomatic areas has aroused backlash from the DPP, or even stimulated the deep-green camp figures to advocate more radical pro-independence initiatives. For example, Beijing's tough measures had pushed Taipei to step away from its original

<sup>&</sup>lt;sup>61</sup> Taipei-Shanghai Forum Witnesses Expansion of Cooperation between the Two Cities', Shanghai City Government, December 24, 2018, accessed May 23, 2019, http://www.shanghai.gov.cn/shanghai/node27118/node27818/u22ai91005.html.

<sup>62,</sup> Ko Wen-je liang'an lunshu quanwen' ['the Full Text of Ko Wen-je's view about the Cross-Strait Relation'], CRNTT, June 6, 2019, accessed June 8, 2019, http://www.crntt.com/doc/1054/4/8/3/105448393.html?coluid=0&kindid=0&docid=105448393.

 $<sup>^{63}</sup>$ Guotaiban 2019 nian 6 yue 12 ri xinwen fabuhui jilu' [The Complication of News Conference Held by TAO on June 12, 2019 ], TAO, June 12, 2019, accessed June 13, 2019, http://www.gwytb.gov.cn/xwfbh/201906/t20190612\_12173353.htm.

ambiguous stance on the '1992 Consensus' and turn to embrace the green camp forces so as to solidify its political base. Responding to Xi's 2 January 2019 remarks, Tsai issued strongly worded messages on the same day to rebut Xi's overture by announcing publicly that "I must stress that we've never accepted the '1992 Consensus', and claimed that her stance represented 'the consensus of the Taiwanese'. <sup>64</sup> Prompted by a sense of crisis in the face of growing pressure from Beijing and frustrated by Tsai's 'weak response' to the mainland, some deep-green political parties and organizations have established an alliance, the Formosa Alliance, demanding to hold a referendum on Taiwan's independence in April 2019, change the island's name from the Republic of China to Taiwan, and apply for membership in the United Nations.

Second, Beijing's engagement effort will be offset by the security tension and political impasse. There is no doubt that numerous unilateral beneficiary measures unveiled by the mainland will be conducive to the economic interdependence and social integration across the Taiwan Strait. However, it would not necessarily draw Taiwan closer and lead to political identification and psychological intimity. Instead, the mainland's confrontational approaches in security, political and diplomatic frontiers would undermine the credibility and sincerity of Beijing's conciliatory gestures in economic, social and cultural areas. The strained cross-Strait relations will inevitably exacerbate the hostility and drive common Taiwanese to turn their back on the mainland China, which will consequently make it harder, instead of easier, to charm the public into favoring Beijing's ultimate goal of unifying the two sides peacefully.

Third, Beijing's hardline stance undermines its efforts to engage with Taiwan public. For many decades, Beijing is always endeavoring to achieve reunification by 'winning the heart and mind of the Taiwan compatriots', exemplified by President Xi's reemphasis of the importance to reach 'agreements in heart and soul' with Taiwan in his report to the 19th National Congress of the CCP.<sup>65</sup> However, given a constructive relationship requires continuous and consistent forward-leaning momentum, the enduring cross-Strait standoff unfortunately had already strengthened and deepened civilian distrust and antagonism between the two societies. There are many evident signals reflected that the mutual suspicion, or even antipathy among the ordinary people is increasing significantly, and the public opinion towards each other is deteriorating rapidly. For example, the anti-Taiwan sentiment had partly led to the plummet of the tourists from the mainland to Taiwan. Even worse, the populist noises calling for 'unification by force' from the mainland side become much louder and more popular than before. At the same time, Taiwan's anti-mainland emotion continues to grow and the evaporation of the identity foundation for unification remains.

More importantly, it is very likely that current dual-track 'selective engagement' policy will be employed as a regular and routine framework for Beijing to deal with the Taiwan administration if only the DPP is in the saddle. Beijing understands clearly that the two-party political system in Taiwan means, no matter Tsai would win or lose the upcoming campaign in 2020, it will be inevitable to face a DPP administration in the long run before the Taiwan issue could reach a final resolution. Unless the DPP would abandon its pro-independence ideology or accept the 'one China' principle, Beijing would apply this kind of dual-track approach as the most feasible and effective way to cope with any DPP administrations in the future. Furthermore, with the ever-expanding power asymmetry across the Taiwan Strait, Beijing will have more policy instruments in its toolbox which could enable it to adjust this fundamental framework by adopting upgraded measures.

In sum, after the DPP resumed office in 2016, the enduring political stalemate resulted from the wrestling of the 'one China' principle is transforming the cross-Strait relations gradually from 'hot interaction' during the Ma administration to 'cold confrontation' featured by the combination of cooperation and conflict. The uncertainty and risks rose sharply and made the cross-Strait relations

<sup>&</sup>lt;sup>64</sup>President Tsai affirms Taiwan will not accept 'one country, two systems', *Taiwan Today*, January 3, 2019, accessed June 1, 2019, https://taiwantoday.tw/news.php?post=148108&unit=2.

<sup>&</sup>lt;sup>65</sup>Jinping Xi, 'Xi Jinping zai zhongguo gongchandang di shijiu ci quanguo daibiao dahui shang de baogao' ['Report at the Nineteenth National Congress of the CPC'].



become 'ever-increasingly complicated and tough' (riyi fuza yanjun). 66 Currently, Beijing's pressure campaign is mainly confined in security, political and diplomatic areas, and the tension has not yet reversed the economic cooperation and social exchanges momentum although the vibrant dynamics have been potentially eroded. However, the potential of the escalation of tension and confrontation between the Strait is slowly building up.

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#### Disclosure statement

No potential conflict of interest was reported by the author.

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<sup>&</sup>lt;sup>66</sup>, Zhang Zhijun da zhongping: tuijin heping tongyi jincheng' ['Zhang Zhijun Answered Questions to CRNTT: to promote the process of peaceful reunification'], CRNTT, March 5, 2017, accessed May 22, 2019, http://www.crntt.com/doc/1045/9/8/3/ 104598324.html?coluid=3&kindid=13&docid=104598324&mdate=0305210205.