

IV. Evolution of China's Taiwan Policy

This section of the paper will compare the era of Jiang Zemin to that of Hu Jintao. I will attempt to highlight the contrasts in the two styles of leadership. It will be made evident that during Jiang's era, China adopted a predominantly hard power approach to formulating the PRC's Taiwan Policy. If we relate China's strategy to Joseph Nye's theoretical framework,¹¹³ we will see China's behaviors during Jiang's era fall in the spectrum of *coercion* and *inducement*. In contrast, during Hu Jintao's era China adopted the use of soft power to shape cross-Strait relations. Again, according to Nye's theoretical framework,¹¹⁴ China's behaviors during Hu's era fall in the spectrum of *agenda setting* and *attraction*.

Jiang Zemin's Hard Power

In the 1990s, China witnessed the great power transition from the aging Deng Xiaoping to Jiang Zemin. In 1993, Jiang Zemin became the president of the People's Republic of China. He spent the next several years consolidating his power to ultimately become the paramount leader of China; he would hold onto this power until the early years of the new millennium. As paramount leader, he assumed greater control over developing the PRC's Taiwan policy.

The 1990s began with Beijing adopting a more flexible approach to managing cross-Strait affairs. This was exemplified in 1991 by the establishment of the Association for Relations Across the Taiwan Strait (ARATS), which is the counterpart of the Straits Exchange Foundation (SEF). Communication between SEF and ARATS began in 1992 and continued to grow, eventually leading to the 1992 Consensus. Then, in 1993 the thaw in relations was culminated by the Koo-Wang talk in Singapore.¹¹⁵ Following this progression of positive initiatives on January 30, 1995, Jiang Zemin made the eight-point proposal for high-level negotiations to end the hostility across the strait. The eight-point

¹¹³ See Figure 1, Power According to Joseph S. Nye, Jr in Joseph S. Nye Jr., *Soft Power: The Means to Success in World Politics* (New York: Public Affairs, 2004), p. 8.

¹¹⁴ *Ibid*, p. 8.

¹¹⁵ Major Events Across the Taiwan Straits (January 1912 to February 2009), Taipei Mainland Affairs Council, June, 11, p. 3-4.

proposal was Jiang's first major policy initiative on Taiwan affairs, and, he believed it would produce a new chapter in cross-Strait relations.¹¹⁶ The main points behind his proposal was the principle that "Chinese should not fight Chinese," his concern for the rights of ROC entrepreneurs on the mainland, and that unification could occur under a "transitional framework."¹¹⁷

Despite Jiang's initial efforts to ease tensions across the Taiwan Strait, his ultimate goal of unification was immediately confounded by numerous obstacles. The first factor which led to hostility in the Strait was Lee Teng Hui's historic visit to the United States in 1995. President Lee's visit led to a great deal of embarrassment among Jiang Zemin and his inner circle of advisors. Consequently their U.S. and Taiwan policies were heavily criticized by competing factions within the CCP. The heavily nationalistic military apparatus within China demanded China's national sovereignty and territorial integrity be honored. Thus, Jiang and his inner circle would be forced to use the Taiwan issue as a rallying point for the nation's patriotism.¹¹⁸ After Jiang and his advisors displayed their firm resolution in solving the Taiwan problem could they then salvage their reputation and hold onto their newly acquired power.

The second reason for China's hard-handed approach was Beijing's frustration with Taiwan's handling of the bilateral relationship. Taiwan was quite effective in holding the *sanbu* policy (three no's: no contact, no negotiation, and no compromise). Cross-Strait contacts were relegated to the unofficial private level. Furthermore, Beijing was disappointed when SEF chairman Koo Chen-fu said that the topics planned for discussion at the second Koo-Wang meeting would not include preparatory negotiations for the ending of bilateral hostilities. Finally, Beijing was further disappointed by President Lee's response to Jiang's eight point proposal.

The third obstacle China faced in dealing with the Taiwan issue was the changing domestic political situation within Taiwan. The KMT had successfully led by authoritarian rule for nearly four decades. Albeit, the PRC did not agree with the KMT's

¹¹⁶ Suisheng Zhao, "Military Coercion and Peaceful Offence: Beijing's Strategy of National Reunification with Taiwan," *Pacific Affairs*, Vol. 72 no. 4, Special Issue: Taiwan Strait (Winter 1999-2000): 502.

¹¹⁷ Michael D. Swaine, "Chinese Decision-Making Regarding Taiwan, 1979-2000," in Lampton, ed., *The Making of Chinese Foreign and Security Policy in the Era of Reform* (2001): 313-314.

¹¹⁸ Suisheng Zhao, "Military Coercion and Peaceful Offence: Beijing's Strategy of National Reunification with Taiwan," 503.

politics, but it had at least had grown accustomed to their tactics. However, democratic forces began to gain ground in the mid-1980s which led to the eventual formation of the Democratic Progressive Party (DPP). The DPP openly called for Taiwan's independence, an immediate political non-starter for the PRC. President Lee's stance on independence remained unclear to the PRC for some time. After President Lee managed to consolidate his power in Taiwan, he began to become more confrontational towards the PRC's Taiwan policy.¹¹⁹ In an interview with a Japanese newspaper, Lee even likened himself to biblical Moses who would lead his people to the "promised land".

The last factor affecting China's Taiwan strategy was the international environment in which Taiwan was redefining itself. In the 1990s, Taiwan abandoned its insistence on being the only legitimate Chinese government in the international arena and adopted its new approach of *tanxing waijiao*, or elastic diplomacy. This strategy decided that Taipei would "no longer compete with Beijing for the right to represent China in the international arena."¹²⁰ Rather, Taiwan utilized its "greatest asset--political democratization and economic prosperity--and it has paid off particularly well."¹²¹ This strategy of elastic diplomacy garnered support within the United States and the international community.

As outlined in the previous paragraphs, Jiang's initial efforts of easing tensions across the Taiwan Strait were confounded by a series of asymmetric responses by Taiwan: Taiwan's President Lee Teng Hui's controversial trip and speeches, the unwillingness of Taiwan to comply with the unification framework China set forth primarily in Jiang's eight point proposal, the budding democratic movement which would potentially lead to an independence movement, and Taiwan's growing status in the international community. Therefore, China, under the leadership of Jiang Zemin, resorted to primarily hard power, utilizing a mixture of military coercion and economic inducement which negatively shaped the cross-Strait dynamic in the following years.¹²²

¹¹⁹ Ibid, p. 504.

¹²⁰ Kay Moller, "A New Role for the ROC on Taiwan in the Post-Cold War Era," *Issues & Studies*, Vol. 31 no. 2 (February 1995): 84-85.

¹²¹ Suisheng Zhao, "Military Coercion and Peaceful Offence: Beijing's Strategy of National Reunification with Taiwan," 505.

¹²² Joel Wuthonow, "The Integration of Cooptation and Coercion: China's Taiwan Strategy since 2001," *East Asia*, Vol. 23 no.3 (Fall 2006): 25.

Military Coercion

China, led by Jiang Zemin, immediately responded to President Lee's historic visit to the United States, with various hard power military tactics. China carried out two missile tests, the first in late July 1995. This test was meant to influence US policy and to deter voters in Taiwan from choosing Lee as a candidate for the first democratic presidential election. In October, Jiang observed an amphibious landing on a mock "enemy shore" in the Yellow Sea, then in November conducted its largest combined arms exercise, simulating an attack on one of Taiwan's offshore islands. In December, China renamed the "Nanjing Military Region," opposite Taiwan, to the "Nanjing War Zone," and displayed advanced fighter jets recently purchased from Russia. In January, Beijing expanded military forces near Taiwan to over 100,000 personnel. Finally, in March 1996 China conducted its second missile test in the vicinity of two of Taiwan's major ports of Keelung and Kaoshiung.¹²³ Beijing's *Xinhua* stated, "to strive to end the disunity of the country and nation by peaceful means in no way means allowing the process of peaceful reunification to be delayed indefinitely. If some people were to dare to separate Taiwan from Chinese territory, the Chinese people would defend the country's sovereignty and territorial integrity with blood and lives."¹²⁴

At the close of the millennium, China again used their military might to intimidate Taiwan. In July of 1999, after President Lee espoused the theory of "special state-to-state" relations, the People's Liberation Army (PLA) again conducted war games near Taiwan. In March of 2000, in order to quell any support for an independence-minded candidate, Beijing issued a white paper on Taiwan. The document stated that a major shift away from China by the ROC could lead to war.¹²⁵

Then, in 2001, China again applied military force after Taiwan's new president, Chen Shui-bian, made a visit to the United States and the newly elected George W. Bush authorized the largest sale of military technology to Taiwan at the time. In line with

¹²³ Robert Ross, "The 1995-1996 Taiwan Strait Confrontation: Credibility, Coercion and the Use of Force," (2000): 102-104.

¹²⁴ Beijing *Xinhua* News Agency, July 27, 1995.

¹²⁵ "Yige Zhongguo de Yuanze yu Taiwan Wenti," (The One China Principle and the Taiwan Issue), Zhongguo Renmin Gongheguo Guowuyuan Taiwan Shiwu Banggongshi (Taiwan Affairs Office of the PRC's State Council), February 2000.

Jiang Zemin's strategy, Beijing responded with hostile rhetoric and military exercises. As illustrated in the above paragraphs, Jiang Zemin utilized the military to coerce Taiwan.

Economic Inducement

The other tool in the hard power tool kit is the use of economic statecraft to shape a relationship. Economic statecraft can be used to shape a particular relationship by two primary means: the first is coercion and the second is inducement. The coercion dimension of cross-Strait relations has thoroughly been researched by many scholars. It is supported by three main schools of thought: The first is the hollow out argument, by which Taiwan's economy will be relocated to the mainland where it can eventually be held hostage by Beijing. The second is the neorealist theories of relative gains, by which each economic exchange between the two sides contributes to China's economic growth and therefore its military build-up. The last school of thought is asymmetric interdependence by which Taiwan will become dependent upon China's economy, thus rendering it sensitive and vulnerable to China's coercive actions.¹²⁶

China's utilization of economic coercion to punish Taiwan has been refuted by many of scholars. In Professor Chen-yuan Tung's paper, "Cross-Strait Economic Relations: China's Leverage and Taiwan's Vulnerability," the author concludes that "China has no economic leverage over Taiwan in terms of imposing economic sanctions and that Taiwan's vulnerability to such a scenario is almost nonexistent."¹²⁷ If we examine each cross-Strait military crisis (1995, 1996, 1999, 2000), the means of military coercion are obvious, however not once did Beijing use economics as a means of coercion.

I argue, in the cross-Strait relationship during Jiang Zemin's era, economics were successfully used to induce Taiwan. This theory is best supported by Albert O. Hirschman in his work, *National Power and the Structure of Foreign Trade*. He

¹²⁶ Seanon S. Wong, "Economic Statecraft Across the Strait: Business Influence in Taiwan's Mainland Policy," *Asian Perspective*, Vol. 29 no. 2 (2005): 45.

¹²⁷ Chen-yuan Tung, "Cross-Strait Economic Relations: China's Leverage and Taiwan's Vulnerability," *Issues & Studies*, Vol. 39 no. 3 (September, 2003): 39.

identifies the “influence effect”¹²⁸ as a source of power. The logic of the influence effect is as follows, “a sender state offers economic benefits to the business community of the target state. With the expansion of economic ties, this community develops a stake in maintaining a stable international environment, and consequently, strives to promote its interest by influencing its government’s foreign policy. The target government will be pressured to adopt a more cooperative policy, or at least a non-provocative one, toward the sender state.”¹²⁹ Thus, the “influence effect,” working over a longer period of time and having longer lasting impressions, considers both the state and domestic actors. China’s economic inducement is not only used in cross-Strait relations, but this strategy is used across the board when further analyzing its foreign policy.¹³⁰

The 1980s saw a downturn in the Taiwanese economy. Many in the Taiwanese business community saw the opportunity of China’s vast market and cheap labor force. Of course, this thought was further complimented by the fact that China and Taiwan share a similar language and culture. In 1987, Chiang Ching Kuo, to the satisfaction of many Taiwanese business people, opened the pandora’s box of cross-Strait relations, allowing Taiwanese citizens the opportunity to visit the mainland. As a result, much of Taiwan’s foreign direct investment (FDI) began to find its way into the mainland market. Initially, the Taiwanese government restricted the amount of capital which could be invested in China. This is exemplified by Lee Teng Hui’s, “Go Slow, Be Patient” policy, which issued a US\$50 million cap on PRC bound investment. Two contending ideologies, one of capitalism and the other of national security began to compete, each pulling the government into its own direction. Eventually, the capitalists won thanks to Taiwan’s newly formed democracy.

As Taiwan democratization got under way, political parties in Taiwan became increasingly accountable to the domestic interests. Many of the policies implemented by the Taiwanese government, especially those to restrict the movement of capital to the

¹²⁸ Albert O. Hirshman, *National Power and the Structure of Foreign Trade*, (Berkeley and Los Angeles: University of California Press, 1980): 14-26.

¹²⁹ Albert O. Hirshman, *National Power and the Structure of Foreign Trade*, (Berkeley and Los Angeles: University of California Press, 1980): 14-26. in Season S. Wong, “Economic Statecraft Across the Strait: Business Influence in Taiwan’s Mainland Policy,” *Asian Perspective*, Vol. 29 no. 2 (2005): 55.

¹³⁰ For further reference on China’s overall economic inducement please reference, Joshua Kurlantzick, *Charm Offensive: How China’s Soft Power is Transforming the World*, (New Haven: Yale University Press, 2007).

mainland, became very unpopular with the business community. Beijing realized they now could exploit Taiwan's democracy by utilizing the business community to influence government policy. This is best articulated by then Chinese premier Li Peng, "to peddle the domestic politics through business; to influence the Taiwanese government through the people."¹³¹

China, realizing the attraction of its vast market and seemingly unlimited labor force, implemented a strategy of economic inducement. Their objective, as Professor Tse-Kang Leng stated was to "attack the independence attempt of the Taiwan government."¹³² China shifted its priority toward attracting investment from the top 100 conglomerates of Taiwan. In particular, they made extra efforts to maintain close ties with the then ruling KMT, who were capable of making large scale investment in areas such as infrastructure, power generation, and high technologies.¹³³ For example, in 1996, the PRC's then Vice-Premier Zhu Rongji played the congenial host to Wang Yung-ching, the boss of Formosa Plastics at a time when he was planning to make a multi billion dollar investment in the Fujian province.¹³⁴ Also, China actively courted President Enterprises as they were drawing up an investment project worth US\$200 million. China also cultivated amicable ties with the Evergreen group, which dominates Taiwan's shipping and transportation industries.¹³⁵ Furthermore, PRC Foreign Minister Qian Qichen suggested that the three links, which, if implemented, would reduce costs to Taiwan businessmen. The PRC would be willing to forgo the contentious political connotations and consider the three links purely an economic issue.¹³⁶

Cross-Strait relations at the beginning of Jiang Zemin's era started off on a positive note. However, their relationship quickly deteriorated due to numerous factors, such as President Lee's bold statements and foreign visits, the domestic political situation

¹³¹ Li Peng, *Government Report to the Sixth Plenary Meeting of the Seventh National People's Congress*, (April 1993), quoted by Yun-han Chu, "The Political Economy of Taiwan's Mainland Policy," in Suisheng Zhao, ed., *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*, (New York, Routledge, 1999) p. 182.

¹³² Tse-Kang Leng, "Dynamics of Taiwan-Mainland China Economic Relations: The Role of Private Firms," *Asian Survey*, Vol. 38 (May 1998): 505.

¹³³ Taifa Yu, "Relations between Taiwan and China after the Missile Crisis: Toward Reconciliation?" *Pacific Affairs*, Vol. 72 no. 1 (Spring, 1999): 47.

¹³⁴ Christopher M. Dent, "Being Pulled into China's Orbit? Navigating Taiwan's Foreign Economic Policy." *Issues & Studies* 37, no. 5 (September/October 2001): 15.

¹³⁵ Taifa Yu, "Relations between Taiwan and China after the Missile Crisis: Toward Reconciliation?" 47.

¹³⁶ Joel Wuthonow, "The Integration of Cooptation and Coercion: China's Taiwan Strategy since 2001," 26.

within Taiwan, and Taiwan's evolving position within the global community. Thus, to appease the military apparatus within China, Jiang reacted with military coercion. This military coercion eventually evolved into a barrage of economic inducement.

Hu Jintao's Soft Power

Hu Jintao gradually took over power from Jiang Zemin, first the Party in 2002, then the military in 2004, and finally the State in 2005. Since Hu's consolidation of power in 2005, Beijing's Taiwan policy began to fundamentally shift. On March 4, 2005, President Hu Jintao issued a "four point opinion" outlining ways to promote the peaceful development of cross-Straits relations "under the new circumstances."¹³⁷ Then at the 17th Party Congress in 2007, Hu Jintao stressed the importance of "peaceful development" across the Straits.¹³⁸

It is the general viewpoint of many scholars¹³⁹ that Hu Jintao's Taiwan policy is far more sophisticated and pragmatic than that of Jiang Zemin. Hu Jintao's strategy as the carrot and stick approach to Taiwan policy.¹⁴⁰ More accurately, Hu's two prong strategy is described as "the hard becomes harder and the soft, softer" (*yingde geng ying, ruande geng ruan*). This strategy was made evident by the proclamation of the *Anti-secession Law* (ASL). Which stipulated that the PRC shall apply "non-peaceful means" against Taiwan if "Taiwanese independence forces...should act...to cause...Taiwan's secession from China." Then, China immediately followed up with a series of measures (see Appendix:....) to "win the hearts and minds of the Taiwanese compatriots." Hu Jintao's message rings clear "peace, but not independence."¹⁴¹ The focus of this section is to review the tactics in which China employed to "win the hearts and minds" of the Taiwanese populace.

¹³⁷ Dennis V. Hickey, "Beijing's Evolving Policy toward Taipei: Engagement or Entrapment," *Issues & Studies* 45 no. 1 (March 2009): 39.

¹³⁸ Hu Jintao, "Shiqida zhengzhi baogao" (The 17th Party Congress Political Report)p. 24-26.

¹³⁹ See Wang Jianwei, "Time for 'New' Thinking on Taiwan," *China Security*, Vol. 4, No. 1 (Winter 2008): 113-129 and Chu Shulong & Guo Yuli, "Change: Mainland's Taiwan Policy," *China Security*, Vol. 4 no.1 (Winter 2008): 130-136.

¹⁴⁰ Chong-Pin Lin, "More Carrot Than Stick: Beijing's Emerging Taiwan Policy," *China Security*, Vol. 4 no. 1 (Winter 2008): 1-27.

¹⁴¹ Chu Shulong & Guo Yuli, "Change: Mainland's Taiwan Policy," *China Security*, Vol. 4 no.1 (Winter 2008): 131.

As supported by Dennis V. Hickey, “since that time (2005), Beijing has softened its rhetoric and now seeks to use economic and cultural instruments to promote ties with the island.”¹⁴² To further support the premise of a shift in Beijing’s Taiwan policy, Dr. Su Chi, secretary-general of the ROC National Security Council and a leading authority on cross-Strait relations, states, “Actually, beginning in 2005, it has been a clear trend that they (China) wanted to try the soft line: to win the hearts and minds of the people. I think they began to appreciate the reality and depth of democracy.”¹⁴³

To be sure, according to Dr. Chong-Pin Lin, a number of policies have remained consistent over the Jiang-Hu transition of leadership: the number of missiles pointed at Taiwan has continued to increase, Beijing has continued to strangle Taiwan’s “international living space,” Beijing’s overarching principles on Taiwan have remained consistent (i.e. “one China”, “peaceful re-unification”, “one country, two systems”), and Beijing continues to acquire high-tech military equipment in order to deter the United States intervention of a cross-Strait conflict.¹⁴⁴

However, the number of consequential changes to China’s Taiwan policy far surpasses the consistencies. China has made significant efforts to set the agenda for the development of peaceful cross-Strait relations, and has offered a wide array of cultural attractions. The following paragraphs will detail the tactics used by China to successfully materialize its soft power strategy.

Agenda Setting

Hu Jintao emphasizes pragmatism over idealism. His strategy is based on the reality that neither side has the ability to change the “status quo.”¹⁴⁵ To begin, China has taken a new approach from the “macro level”¹⁴⁶ of cross-Strait relations. Specifically, it has relaxed the preconditions for cross-Strait negotiations. Today, both sides have returned to the “1992 Consensus,” which essentially means each side can interpret the

¹⁴² Dennis V. Hickey, “Beijing’s Evolving Policy toward Taipei: Engagement or Entrapment,” 39.

¹⁴³ Interview with Dr. Su Chi, Taipei, July 25, 2007. Quoted in Dennis V. Hickey, “Beijing’s Evolving Policy toward Taipei: Engagement or Entrapment,” *Issues & Studies* 45 no. 1 (March 2009): 39.

¹⁴⁴ Chong-Pin Lin, “More Carrot Than Stick: Beijing’s Emerging Taiwan Policy,” 2-3.

¹⁴⁵ Chu Shulong & Guo Yuli, “Change: Mainland’s Taiwan Policy,” 132.

¹⁴⁶ Dennis V. Hickey, “Beijing’s Evolving Policy toward Taipei: Engagement or Entrapment,” 39.

meaning of “One China” as they see fit. Furthermore, Beijing has taken a more pragmatic stance towards “reunification.” So much that it is even common for those within the Chinese academic community to use the term “status quo”¹⁴⁷ when discussing cross-Strait relations. During Jiang Zemin’s era, the term “status quo” would not have been uttered by anyone in the PRC’s Taiwan policy making circle. Rather than pushing for reunification, Beijing is just interested in preventing Taiwanese independence. Lastly, the various timetables of reunification of the Jiang era have been shelved for the time being.

Next, there has been a de-emphasis on the use and display of military force. To be more specific, the Dongshan Island military exercises held near the Taiwan Strait ceased in 2005. Furthermore, the statement reiterated throughout the 1990s, that “we do not renounce the use of force on Taiwan,” has virtually disappeared since 2005.¹⁴⁸ Rather, Beijing has stressed the use of “extra-military” strategies in dealing with Taiwan. Beijing has expanded its toolkit to include: economic, cultural, social, as well as extra-military means. Chong-Pin Lin prefers the term “extra military emphasis”, which transcends without excluding pure military instrument, or it could be more accurately defined as “soft power.”¹⁴⁹

Beijing is proving to use more sophisticated measures to set the agenda which shaped the cross-Strait relationship. In April 2005, then KMT chairman Lien Chan made a historic visit to China and met President Hu Jintao. He became the first Nationalist Party leader to return to the mainland since the party fled to Taiwan after losing the Chinese civil war in 1949¹⁵⁰. Then, immediately after Lien’s visit, James Soong, chairman of the People’s First Party (PFP), made his own trip to the mainland. Soong’s visit was designed to emphasize his belief in common shared roots for the Chinese people, a reflection of his pro-unification sentiment. He specifically chose to honor Huang di, the historical ancestor of the Chinese people, Sun Yat-sen the contemporary father of the Republic of China, and then his own direct ancestors, in that precise order. His public comments addressed this continuous theme as well, receiving rapturous support from his

¹⁴⁷ Edward Cody, “China Easing Its Stance on Taiwan: Tolerance Grows for Status Quo,” *Washington Post*, June 15, 2006.

¹⁴⁸ Chong-Pin Lin, “More Carrot Than Stick: Beijing’s Emerging Taiwan Policy,” 3.

¹⁴⁹ *Ibid.*, 3.

¹⁵⁰ Caroline Gluck, “Lien visit warms Taiwan-China prospects,” *BBC*, April, 26, 2005.

mainland audience. The political consensus borne out of the visits called for practical actions towards establishing links between Taiwan and mainland China. Subsequently, Chen Yunlin, then director of the State Council's Taiwan Affairs Office, now head of the Association for Relations Across the Taiwan Strait (ARATS) offered a basket of gifts. One such gift was a pair of Giant Pandas, symbolizing a gesture of peace. Since, these historic meetings, both sides have met regularly for forums.

Interestingly, the cross-Strait dialogue is not only limited to the KMT, the PRC has opened up the dialogue to members of the Democratic Progressive Party (DPP) as well. The authorities in Beijing emphasize they will talk to any political party in Taiwan as long as they abide by the "one China principle" and embrace the "1992 consensus." Chen Yunlin, declared "we warmly welcome those how used to have the illusion of Taiwan independence, those who used to advocate Taiwan independence, and even those how used to be engaged in such activities to return to the correct path of peaceful development of cross-Strait relations."¹⁵¹

Attraction

This author argues the most significant change in China's Taiwan policy is the outreach to civilian groups in Taiwanese society. This tactic is certain to reach the "hearts and minds" of the Taiwanese leading to China's ultimate goal of reunification. This notion of a Greater China is further supported by the thesis of Professor Yung Wei of National Chiao-tung University. He proposes a new term, "linkage communities," to illustrate the actual process of functional integration within either side of a divided state. He defines the term "linkage communities" as a group of people who have had such extensive social, cultural, and commercial contacts with a society of the opposite system that they develop an understanding, sensitivity, and empathy with the other. The higher the percentage of people belonging to the "linkage community" on each side, the more likely peaceful reunification will occur.¹⁵² Hu Jintao's newly implemented policies are designated to promote social and cultural exchanges between the two sides of the Taiwan

¹⁵¹ "Peaceful Development of Cross-Strait Ties Reaffirmed," *China Daily*, May 22, 2005.

¹⁵² Yung Wei, "From Multi-System Nations" to "Linkage Communities": A New Conceptual Scheme for the Integration of Divided Nations," *Issues & Studies* 33, no. 10 (October 1997): 7.

Strait. This author will simply highlight several examples to further expound upon my central thesis that cultural attraction is the most effective tool in the soft power offensive. To gain a full understanding of the breadth of changes in China's policy towards Taiwan and the numerous accounts of cultural exchanges across the Strait please refer to Appendix 1 located at the end of this paper.

As mentioned previously in this paper, culture produces a significant amount of soft power for a nation. Again, culture can be cultivated utilizing either high or low culture.¹⁵³ High culture often comes in the form of education. As former Secretary of State Colin Powell for the United States said, "I can think of no more valuable asset to our country than the friendship of future world leaders who have been educated here."¹⁵⁴ International students will usually return home with a greater appreciation for the values and institutions of the country in which they were an exchange student. Many times these students will then go on to have their own careers in government, and may even take part in formulating policies for their home country.

This same dynamic holds true for the thousands of Taiwanese students who are now studying in mainland China. According to the Taiwan Affairs Office of the State Council, there are now thousands of Taiwanese studying in mainland China.¹⁵⁵ Many of this student body only consist of short term stays such as venues and camps. However, this number of students will only increase as the academic exchanges between universities increases. Currently there are 100 mainland universities which have established exchange programs with Taiwanese counterparts. According to National Taiwan University President Si-Chen Lee, these exchange programs are evolving from summer camps and forums into full on undergraduate courses.¹⁵⁶

In August 2005, Taiwanese students studying at Chinese mainland universities began to pay the same tuition fees and boarding fees as their mainland peers. This could be equated to an American paying in-state tuition fees at his/her university. The average

¹⁵³ Joseph S. Nye Jr., *Soft Power: The Means to Success in World Politics*, 44-54.

¹⁵⁴ Colin Powell, "Statement on International Education Week 2001," available at: <http://www.state.gov/secretary/rm/2001/4462.htm>.

¹⁵⁵ Taiwan Affairs Office of the State Council available at: <http://www.gwytb.gov.cn:8088/>

¹⁵⁶ Ibid.

annual tuition for Taiwanese studying on the mainland used to be about US\$1,500, but now with the newly implemented policy they will only have to pay about US\$370.¹⁵⁷ Furthermore, Taiwanese students will potentially become the recipients of a newly launched scholarship fund, which will distribute a fund of US\$864,000. This money will be distributed to 20% of the Taiwanese students studying on the mainland each year. To mitigate the occurrence of additional costs to institutions who enroll Taiwanese students, The Ministry of Finance has began to subsidize each Taiwanese student to the amount of US\$920 per year. This may prompt some institutions to actively recruit Taiwanese students to earn extra money from the Ministry of Finance.

In the end, one can only speculate as to what types of results these efforts will have on influencing the youth of Taiwan. If we compare this effort to similar efforts employed by the United States, we can only assume many young and impressionable Taiwanese will surely be influenced by the sense of similiarity and closeness between the two cultures. The effect of this type of cultural exchange is best articulated by Ma Po-Chiang, a student from Taiwan's Tamkang University. While visiting Beijing he said, "I feel I am going home after more than 50 years." He then went on to say, "It is only when you stand in the Forbidden City that you feel the meaning of the Middle Kingdom and the national pride of being Chinese."¹⁵⁸

On the other end of the cultural spectrum is low culture or popular culture. Many critics disdain popular culture because of its crude commercialism, believing it provides mass entertainment but very little information, therefore providing very little political effect.¹⁵⁹ Arguably, the political effects of popular culture are much more difficult to assess, yet I argue its impact on the subliminal can be enormous. Today, America is not so much known worldwide for its political values, rather it is known as the birthplace of Coca-Cola, Hollywood, Michael Jordan, and Rock-n-Roll.

Similiarly, the masses on both sides of the Strait are probably less concerned about politics and more concerned about the objects that impact their daily lives. Laughable as it may be, a great example of China's new found "charm offensive" is the

¹⁵⁷ "Taiwan students on mainland given level fees", *Xinhuanet*, August 25, 2005, available at: http://news.xinhuanet.com/english/2005-08/25/content_3400369.htm

¹⁵⁸ Taiwan Affairs Office of the State Council, available at: <http://www.gwytb.gov.cn:8088/>.

¹⁵⁹ Joseph S. Nye Jr., *Soft Power: The Means to Success in World Politics*, 46.

recent gift of two Giant Pandas,¹⁶⁰ Tuan Tuan and Yuan Yuan, whose names, when combined, forming *Tuan Yuan*, mean “reunion” in Mandarin. This symbolic gesture has children as well as adults alike swooning over this pair of soft, cute and cuddily panda bears. When the Taiwanese see these pandas, they won’t think of the thousands of missiles waiting to be launched at the island. Rather they will think of the big, cuddily, friendly neighbor across the Strait who showers them with gifts.

These daily interactions between the mainland and Taiwan are becoming increasingly more frequent. Already, millions of Taiwanese travel back and forth to China every year. Each time they are subconsciously influenced by the rapid development of China. In June 2008, the Association for Relations Across the Taiwan Straits (ARATS) and Taiwan’s Straits Exchange Foundation (SEF) agreed that Taiwan was to open to mainland tourists in July with weekend charter flights. Since the agreement in July 2008 to March 2009, 4,105 tourist groups, comprising a total of 100,000 Chinese tourists, have visited Taiwan.¹⁶¹ As discussed previously in this paper, China’s outbound tourism is a great opportunity for the Chinese to display their new found wealth. These cultural ambassadors arrive in Taiwan willing to spend their money. Potentially, the Taiwanese will look upon these Chinese tourists in a new light. Not as a political nemesis from the evil CCP, rather as a new-found market just beyond their borders.

The frequency of cross-Strait exchanges has been made that much easier with the agreement on the “three direct links”. Full restoration of the three links officially commenced on December 15, 2008, with inaugural direct shipping, direct flights, and direct mail.¹⁶² Now, one could fly from Taipei, Taiwan to Shanghai, China just as conveniently and almost as quickly as one could fly from Taipei, Taiwan to Kaoshiung, Taiwan. This notion of close proximity will have an undeniable psychological effect upon the Taiwanese psyche, potentially pulling them closer into the fold of a “Greater China”.

¹⁶⁰ Jonathon Adams, “China extends a friendly paw across Taiwan Strait,” *Christian Science Monitor*, December 24, 2008.

¹⁶¹ Taiwan Affairs Office of the State Council available at: <http://www.gwytb.gov.cn:8088/>.

¹⁶² “Direct across-strait links in place today,” *China Post*, December 15, 2008.

Chinese scholars and officials responsible for China's Taiwan policy predominantly believe that Taiwan needs the "three direct links" more than China does. So, one may ask, why has China been so conciliatory towards Taiwan, even to the point of rescinding the "one-China principle" as the prerequisite for negotiation of the "three direct links"? Professor Chen-Yun Tung has interviewed numerous mainland scholars and the consensus they have reached is that "the three direct links will be helpful in facilitating unification and preventing Taiwan independence."¹⁶³

Hu Jintao, and his closest advisors have taken a new approach to China's Taiwan policy. They rely on a more pragmatic approach to cross-Strait relations. They understand the current situation and can accept the status quo, just as long as Taiwan does not declare independence. Hu Jintao has utilized the use of soft power to shape cross-Strait relations. Hu relies primarily on the behaviors of agenda setting and cultural attraction to win the hearts of the Taiwanese. Culture is the most effective tool in China's soft power offensive. The more frequently contacts are made across the Strait, the more likely "linkage communities" will be built. Cultural interaction is already occurring at a rapid rate. This cultural interaction takes on the form of educating young impressionable Taiwanese students on the mainland and in the arrival of affluent Chinese tourists willing to spend money. This increased interaction will only be exacerbated by the recent approval of the "Three Direct Links". China is effectively using its cultural attraction to pull Taiwan into the fold of "Greater China."

¹⁶³ Chen-yuan Tung, "An Assessment of China's Taiwan Policy under the Third Generation Leadership," *Asian Survey*, Vol. 45 no. 3 (May-June, 2005): 355-356.