Defying some predictions, the outcome of the 19th National Congress of the Chinese Communist Party indicates there will be no significant change in Beijing’s policy toward Taiwan. Beijing will continue to demand that President Tsai Ing-wen accept the 1992 consensus and pressure on her administration will be sustained. In Taiwan, Tsai has supported domestic actions that Beijing fears are weakening cross-strait ties and her pro-independence supporters continue to press for steps that risk increasing tensions. Tsai has also urged Beijing to join in finding a new model for their relations. Beijing’s pressure on Taiwan is stimulating calls in Washington for policies that are more supportive of Taiwan. These developments in Taiwan and Washington have in turn triggered warnings from Beijing.
19th Party Congress

Some commentators had speculated that when General Secretary Xi Jinping consolidated his authority at the 19th Chinese Communist Party (CCP) Congress in October, he would adopt a harder line toward Taiwan. Xi did consolidate his power, but his Congress Work Report indicated policy continuity in cross-strait relations. The section on Taiwan was unusually short in an exceptionally long report, implying that Taiwan is not a high priority for Xi, at least as long as President Tsai Ing-wen does not explicitly reject the one China principle.

The report reinforced several elements in recent policy. It reiterated that the 1992 consensus, embodying the idea that Taiwan and the mainland both belong to one China, is the key to resuming cross-strait dialogue. Consequently, there is no reason to expect Beijing to show flexibility on this principle. The report omitted language from the 18th Congress report calling for political talks, a sign that Beijing does not believe such talks are likely in the next few years. The report also indicated that Beijing would continue to pursue outreach to Taiwan under its “peaceful development” policy including efforts to improve conditions for Taiwanese to study, find employment, open businesses and live on the mainland. However, the strongest statements related to separatism. The report included Xi’s Nov. 11, 2016 statement that, “We will absolutely not permit any person, any organization, any political party at any time in any manner to separate any single part of Chinese territory from China.” This statement received the most sustained applause during Xi’s report and demonstrated that Beijing’s most pressing concern with Taiwan is separatism.

Beijing’s actions in the two months since the Congress confirm policy continuity. That the work report was silent on the military, the united front, and other pressure elements in cross-strait policy was in no way an indication that these will not be important elements in Beijing’s policy toward Taiwan.

Events around the Congress previewed personnel changes that indicate who Xi will rely on to implement policy toward Taiwan. A week before the Congress, China’s UN Ambassador Liu Jieyi became the executive vice minister in the Taiwan Affairs Office (TAO). Liu’s subsequent election to the Party Central Committee is a clear indication that he is in line to become the new head of the TAO. The elevation of State Councilor Yang Jiechi to the Politburo indicates that he will continue to play a role in Taiwan policy. Finally, Vice Premier Wang Yang was selected as the fourth member on the new Politburo Standing Committee. If recent practice is followed (though some speculate it may not), Wang will become chairman of the Chinese People's Political Consultative Committee (CPPCC), the lynchpin organization of the CCP’s united front activities. The chairman plays an active role in articulating policy toward Taiwan.

DPP domestic policies disturb Beijing

President Tsai reiterated in her National Day address 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.” However, the New Power Party (NPP), some Democratic Progressive Party (DPP) members, and independence activists continue to press her. One member of her party proposed removing the reference to reunification from the Act Governing Relations between the People of the Taiwan Area and the Mainland Area. Another proposed that the name of the Mainland Affairs Council (MAC) be changed to China Affairs Council. These symbolic changes were not pursued because they would violate Tsai’s pledge to handle cross-strait ties in accordance with the Republic of China (ROC) Constitution and the Act Governing Relations.

Tsai’s appointment of Lai Ching-te as premier raised concerns in Beijing. In his first appearance in the Legislative Yuan (LY) in September, Lai said that, while advocating goodwill toward China, he would not change his support for independence because the two sides are independent of each other. The TAO promptly responded that Taiwan is not a country and that those who promote independence will suffer the consequences. Tsai was caught by surprise, as was Washington. Lai has not changed his views, but since that incident he has not caused further problems and has publicly recognized this area as Tsai’s responsibility.

President Tsai has managed, but not blocked, domestic steps favored by her pro-independence supporters. The most important was amendment of the Referendum Law, a
matter of grave concern to Beijing. With Tsai’s support, the DPP addressed provisions in the existing law that had frustrated previous referendum votes by substantially easing the ground rules. However, with support of the Kuomintang (KMT), the DPP blocked efforts by the NPP to allow referendums on questions concerning the Republic of China’s official name, flag, and other sovereignty issues. Allowing referendums on such issues would have been viewed in Beijing as a step toward de jure independence.

Tsai also supported passage of the Transitional Justice Law, which focused on addressing abuses during the period of authoritarian KMT rule. Beijing views transitional justice as a “desinification” measure designed to undermine prospects for unification. When her education and cultural ministers advocated rapid action to remove all symbols of Chiang Kai-shek, Tsai intervened to say that the process would proceed deliberately, focus on research, and promote reconciliation. Nevertheless, Beijing remains deeply concerned by such actions. In a meeting with New Party (NP) Chairman Yok Mu-ming in December, TAO Minister Zhang Zhijun expressed Beijing’s fear that the Tsai administration’s educational, cultural, and social actions to promote “desinification” were undermining historical ties and weakening Chinese national consciousness in Taiwan. Earlier, the TAO spokesperson was more pointed, saying that Taipei was using education and cultural steps to separate Taiwan from China.

**Beijing increasing military pressure**

Beijing has intensified overt pressure on the Tsai administration and Taiwan’s voters. Following a lull in reported Chinese military drills near Taiwan, the pace picked up in mid-November. People’s Liberation Army Air Force (PLAAF) exercises near Taiwan took place on Nov. 18 (the first since mid-August), and then up to nine more times by Dec. 20. A PLAAF spokesperson described a Dec. 11 exercise as an “island encirclement patrol” (繞島巡航 raodao xunhang). PRC aircraft began to circumnavigate the island at least in October 2016. This first public use of this term emphasized the propaganda role of the exercises: Chinese media released images and footage of aircraft in flight with mountains in the background, identified as Taiwan.

Beijing portrays the drills as normal and routine, but they have raised concern in Taiwan. An MND spokesperson urged Taiwan’s public not to panic, and Minister of National Defense (MND) Feng Shih-kuan told the LY on Dec. 21 that in the future his ministry would report only on “unusual” flights or incidents, to counter China’s “psychological warfare.” A national defense report released by MND on Dec. 26 called the drills an “enormous security threat.” President Tsai gave her yearend address on Dec. 29 and, unusually, began with remarks on national security. She and her spokespersons consistently describe China’s exercises as threats to regional peace and stability, not simply a cross-strait issue.

**Beijing’s influence operations targeting Taiwan**

Complementing its overt pressure, Beijing has been pursuing a multifaceted effort to influence opinion within Taiwan since cross-strait contacts began in 1987. These programs are led by the CCP’s United Front Department (UFD) and the TAO. Activities have been increasing since the Sunflower student movement in 2014. The past four months provide a sense of the breadth of Beijing’s political, media, economic, social, cultural, and educational efforts to build ties at all levels of Taiwan society. Many of these activities, such as the cross-strait student baseball tournament held in December in
Guangzhou, are welcome examples of goodwill and friendship, but they are all considered by the TAO as elements in their program to influence Taiwan.

In November, former KMT Chairwoman Hung Hsiu-chu attended a Taiwan Week promotion in Wuhan and met TAO Deputy Liu Jieyi. In September, former KMT Vice Chairman Hau Lung-bin led a party delegation to Guangxi. Despite these contacts, Beijing has postponed the annual KMT–CCP Forum until 2018. In December, Yok Mu-ming, chairman of the pro-unification New Party (NP), led a delegation to Beijing and met CPPCC Chairman Yu Zhengsheng and TAO Minister Zhang. Addressing the group, Yu was unusually open in stating that reunification is a necessary element in Xi Jinping’s vision for the great rejuvenation of the Chinese nation. (In December, Taipei’s Investigation Bureau detained four NP staff members in connection with the espionage case against former PRC student Zhou Hongxu, who was sentenced in September to 14 months in jail for attempted espionage.) In November, CPPCC Chairman Yu received a delegation of local elected representatives led by former LY Deputy Speaker Yao Eng-chi.

In November, the third Cross-Strait Media Summit in Beijing brought together about 100 media leaders to discuss media issues and cooperation. CPPCC Chairman Yu received the delegation. TAO Minister Zhang provided a briefing on Xi’s work report and praised participants’ contributions to deepening cross-strait ties. In December, the official CCTV released a 14-installment TV program on the history of Taiwan aimed primarily at Taiwan youth. In November, the Cross-Strait CEOs Summit was held in Nanjing, bringing together some 600 business leaders to discuss cross-strait industrial and commercial cooperation. Yu Zhengsheng addressed the summit and received the leader of the Taiwan delegation, former Vice President Vincent Siew.

On Sept. 24, the Sing China Music Festival held at National Taiwan University was cut short by student protests. Students began by protesting that the festival was occupying their sports fields but this morphed into criticizing the festival’s ties to China. The festival had been arranged under the Taipei–Shanghai Twin Cities Forum – a sister-city exchange mechanism overseen by the UFD and TAO. Violence broke out when thugs associated with the China Unification Promotion Party (CUPP), led by former Bamboo Union leader Chang An-le, clashed with student protesters. The TAO defended the music festival as a normal cultural exchange activity. On Oct 1, the PRC national day, the CUPP organized a pro-unification parade in Taipei.

When the 19th Party Congress convened, it included, in typical PRC practice, 10 delegates theoretically representing Taiwan. All were PRC citizens residing in China. One, however – Lu Li-an, an academic working at Fudan University – was born in Taiwan and retained her Taiwan passport. In an interview during the congress, Lu spoke approvingly of Xi’s dream for national rejuvenation.

On Dec. 13, the 80th anniversary of the Nanjing Massacre, the Nanjing Massacre Memorial held an unusually high-profile commemoration ceremony. Xi Jinping attended and Yu Zhengsheng gave the opening remarks. Following the ceremony, a separate event was held to formally designate the memorial as a TAO-approved “base for exchanges with Taiwan.” TAO Deputy Liu Jieyi said that Taiwanese young people would be encouraged to visit the memorial to learn about the two sides’ common struggle against Japan. The press reported that the TAO has designated more than 50 such exchange bases.

This sampling of the more prominent recent activities provides a sense of the range of Chinese influence activities in Taiwan. Despite their expressions of confidence, PRC officials remain concerned about opinion trends and the 19th Congress work report calls for increasing such outreach efforts.

A new model for cross-strait relations?

President Tsai first called for a new model for cross-strait relations in her National Day address in 2016. Since then, she has continued to mention this idea in an effort to find a way to restore dialogue and working relations with Beijing. In this year’s National Day address, Tsai reiterated her call for a new model, saying leaders of the two sides should work together to find a long-term basis for peace and stability. Predictably, Beijing responded saying the key to restoring dialogue was for Taipei to recognize that Taiwan and the mainland are part of one China. Premier Lai Ching-te subsequently expressed hope for progress after the 19th Party
Congress. Following the Congress, Tsai gave a speech on cross-strait relations in which she called for a breakthrough in relations. The TAO responded by calling on Taipei to accept the 1992 consensus.

It is not clear whether there are back-channel communications occurring in parallel with these public exchanges. Some actions by each side may be seen as related signals. As noted, Tsai has been careful to adhere to her policy commitments. It may also be relevant that Beijing has not established diplomatic relations with more of Taipei’s diplomatic allies. In addition, James Soong, who represented Tsai at APEC, stated that Beijing had not suppressed Taiwan during APEC. Liu Junchen, deputy director of the Chinese National Administration of Industry and Commerce, a ministerial level agency, visited Taipei in early December to participate in a non-governmental meeting on trademarks. Liu is the most senior PRC official to have visited Taiwan since Tsai’s inauguration. The MAC regretted Liu had no contact with officials in Taipei. It is unclear whether a discreet effort is being made to find a way around differences of principle and resume cross-strait work, but if there were, it would be welcome.

Lee Ming-che

The trial of Lee Ming-che, the Taiwan citizen detained by the mainland in March and later charged with subverting state power, took place on Sept. 11. Lee’s wife and mother were informed shortly beforehand. They were permitted to attend the hearing and were allowed short visits with Lee, the first since his disappearance in March. They were accompanied to the trial by officers from Taiwan’s Straits Exchange Foundation (SEF), which implies at least minimal coordination between SEF and its counterpart Association for Relations Across the Taiwan Straits (ARATS). However, contravening the 2009 Cross-Strait Joint Crime-Fighting and Judicial Mutual Assistance Agreement, the TAO has not provided information about the case to the MAC.

In an obviously scripted confession, which was webcast live, Lee pled guilty to inciting subversion of state power. Lee blamed news media for misleading him, and pledged to work toward unification when he regains his freedom. Peng Yuhua, a PRC citizen with whom Lee had had contact, was also found guilty. Lee Ching-yu said after the trial that she did not recognize the court, but Taiwan’s government took a softer approach. The Presidential Office and the MAC called on China to release Lee, and the MAC added that the access to Lee afforded to his wife and mother was beneficial for cross-strait relations.

On Nov. 28, the court sentenced Lee to five years in prison and deprivation of political rights for two years. Peng was sentenced to seven years imprisonment. Chinese media reported that Lee Ming-che would not appeal the verdict. Lee Ching-yu was permitted to attend the sentencing and was allowed to visit with Lee for three minutes; afterward she expressed pride in her husband, and noted that “pursuing ideals comes at a cost.” The Presidential Office stated that, “[s]preading ideas of democracy is not a crime” and again called for Lee’s release; the MAC said it would not accept the ruling and claimed it would have serious negative effects on cross-strait exchanges. TAO spokesman Ma Xiaoguang warned the DPP against using the verdict for political ends. He added that the two sides of the strait should respect each other’s “social systems,” which he said means Taiwan and its people do not have the right to impose their political philosophy on the mainland.

The sentencing may be a step toward releasing Lee, but his experience is widely seen as a warning to activists in Taiwan, Hong Kong, China, and other countries. One focus of the charges against Lee was statements and activities conducted via the Internet and social media from outside China. His prosecution may be viewed through the prism of China’s National Security Law, which guards against subversion of state power; or the Anti-Espionage Law, under which the definition of espionage was broadened on Dec. 6 to include challenging the power of the state; or the NGO Law, which seeks to manage the actions of nongovernmental organizations inside and outside the borders of mainland China. Commentators in Taiwan have expressed concern about the new National Security Law because under article 11 Chinese compatriots in Taiwan have an obligation to preserve China’s territorial integrity. Hence Taiwanese who travel do the mainland could, like Lee, be arrested for violating the vague and expansive terms of the NSL for statements or activities made in Taiwan’s free environment.
US policy and PRC concerns

Fears that the Trump administration may use Taiwan as a “bargaining chip” in its relationship with China have subsided a bit. The long-awaited nomination of Susan Thornton to be assistant secretary of State for East Asia and the Pacific, and the confirmation of Randall Schriver as assistant secretary of Defense for Asian and Pacific security affairs were seen as reassuring in Taiwan.

During President Trump’s visit to Beijing in November, according to China’s Foreign Ministry, Xi Jinping told Trump that Taiwan is the most sensitive issue in US-China relations and is the political basis for the relationship. Trump is reported to have told Xi that the United States would continue to uphold its one-China policy based on the three communiqués and the Taiwan Relations Act. The Trump administration’s initial National Security Strategy, released on Dec. 18, states that the US will maintain its strong ties with Taiwan in accordance with the US one-China policy. The administration sharpened calls for Taiwan to increase its defense spending. On Oct. 12, AIT Chairman James Moriarty said that Taiwan “can and must do better,” and on Oct. 17 then-Acting Assistant Secretary of Defense David Helvey said that Taiwan’s defense budget has not kept pace with the threat from China; he told a group of US and Taiwan military, policy, and industry leaders that Taipei’s budget “needs to be increased, and increased now.”

In response to Beijing’s increasing pressure on Taiwan since President Tsai’s inauguration, the US Congress has advocated steps to enhance US-Taiwan ties. The House Foreign Affairs Committee approved a version of the Taiwan Travel Act on Oct. 12. The bill, similar to a Senate version, which has not yet made it out of committee, expresses the sense of Congress that the government should encourage visits between US and Taiwan officials at all levels, including Cabinet members. A House version of the Taiwan Security Act was introduced on Nov. 7. Like its Senate counterpart, the House bill calls for military exchanges, enhanced diplomatic contacts at the level of assistant secretary or above, regular consultations and arms sales, Taiwan’s participation in certain military exercises, and reciprocal naval port visits.

The National Defense Authorization Act (NDAA), signed into law by Trump on Dec. 12, contains much more language about Taiwan than its recent predecessors. It expresses the sense of Congress that the US should enhance security relations with Taiwan, invite it to multilateral and bilateral exercises, and normalize arms sales; mandates that the secretary of defense report to Congress each letter of request of arms sales from Taiwan; and stipulates that the government “consider the advisability and feasibility of reestablishing port of call exchanges between the United States navy and the Taiwan navy.” In written responses to policy questions submitted during his confirmation hearing on Nov 16, now-Assistant Secretary of Defense Randall Schriver explained that he has long supported US-Taiwan reciprocal ship visits and that he would look forward to learning more about any counter-arguments.

The Washington Post reported in October that PRC Ambassador Cui Tiankai sent a letter to members of Congress in late August advising that the Taiwan Security Act, the Taiwan Travel Act, and other bills crossed a “red line” in US-China relations. On Dec. 8 – shortly before Trump signed the NDAA, and in the midst of frequent PLAAF island encirclement patrols – in what may have been both a boast and a threat, Chinese Embassy Minister Li Kexin told a gathering that he had warned Congressional staff that China would “activate” its Anti-Secession Law and “unify Taiwan with military force” if US Navy ships visited Taiwan. The following day, a Global Times editorial echoed Li’s statements. The PRC Foreign Ministry said it had “lodged stern representations” with the US government about the idea of port calls, and warned Taiwan against relying on foreigners. Though some in Taiwan expressed concern at being drawn into a U.S.-China rivalry, the Presidential Office thanked the US for its support.

Taiwan’s international participation: a mixed picture

China continued to suppress Taiwan’s international participation, but there have been some positive developments for Taiwan. Though officials expressed concern about the stability of Taiwan’s relationships with the Dominican Republic and Palau, and there was media concern about ties with the Vatican, China has not taken any of Taiwan’s diplomatic partners since Panama’s switch in June.
Taiwan continued its New Southbound Policy of trade and exchange with South and Southeast Asia, and the policy is now described as Taiwan’s “regional strategy for Asia.” President Tsai and others note that it is intended to complement China’s Belt and Road Initiative and other regional efforts. In December, Tsai told AIT Chairman Moriarty, and tweeted, that Taiwan is ready to contribute to President Trump’s “free and open Indo-Pacific.”

Taiwan enhanced relations with members of the nascent “Quad,” which includes the US, Australia, India, and Japan. James Soong met Japanese Prime Minister Abe Shinzo at the APEC forum in Vietnam. Taipei and Tokyo signed MOUs on customs enforcement and cultural exchanges in November, and on fisheries management and maritime search and rescue in December. In November, Australia’s representative to Taiwan told reporters that Australia is considering cooperation with Taiwan on official development assistance in Southeast Asia, but it was also reported that an anticipated Australia-Taiwan trade agreement is on hold due to Chinese objections. In late December, Taiwan and India signed an MOU on industrial collaboration.

As last year, President Tsai did not launch a campaign for UN membership during the UN General Assembly, though Taiwan encouraged its allies to advocate for its meaningful participation in UN specialized agencies; 15 of 20 did so. Taiwan was not permitted to send representatives to the Interpol General Assembly in Beijing at the end of September, which in the past has been a priority for Taiwan. Despite lacking an invitation, EPA Minister Lee Ying-yuan travelled to Bonn to attempt to participate in the UNFCC Conference of Parties 23 in November. He was barred from official functions, but a transportation official from Kaohsiung, led by a DPP mayor, spoke at two forums for municipal officials. On Dec. 21, Taiwan Minister without Portfolio Audrey Tang and other officials participated in the UN’s Internet Governance Forum via “telepresence robot.” A Chinese diplomat objected to their participation, but representatives of Paraguay and the Solomon Islands argued that contributions rather than politics were the focus of the forum. Separately, Sweden’s foreign minister expressed support for Taiwan’s meaningful international participation as a nonstate actor.

**Looking ahead**

Neither Taipei nor Beijing is looking for a confrontation. That provides a certain element of stability. However, the absence of authorized dialogue between the two deeply divided sides of the strait means that instability will remain a constant concern. Unanticipated or poorly conceived actions by any of the players could lead to increased tensions in the months ahead.
CHRONOLOGY OF CHINA-TAIWAN RELATIONS

SEPTEMBER – DECEMBER 2017

Sept. 5, 2017: President Tsai Ing-wen appoints Lai Ching-te premier.

Sept. 6, 2017: Taipei arranges visit by international scientists to Taiping Island.

Sept. 11, 2017: Taiwan democracy activist Lee Ming-che pleads guilty to subversion.

Sept. 14, 2017: Former PRC student Zhou Hongxu is given a 14-month sentence in Taiwan for attempted espionage.


Sept. 20, 2017: EPA Minister Lee Ying-yuan meets US Environmental Protection Agency Secretary Scott Pruitt in Washington.

Sept. 24, 2017: At Democratic Progressive Party (DPP) National Congress, President Tsai Ing-wen reiterates her call for new approach to cross-strait relations.


Sept. 26, 2017: During his first report to Legislative Yuan, Premier Lai reiterates his support for Taiwan independence.

Sept. 27, 2017: Taiwan’s Vice Foreign Minister Paul Chang visits Washington for discreet consultations on Taiwan’s international space.

Oct. 2, 2017: Taiwan’s Foreign Minister David Lee tells Legislative Yuan that Singapore will continue military training in Taiwan.

Oct. 10, 2017: President Tsai reiterates her call for a new model for cross-strait interaction.


Oct. 12, 2017: US House of Representatives Foreign Affairs Committee (HFAC) passes Taiwan Travel Act. The legislation encourages official visits between the US and Taiwan at all levels.


Oct. 26, 2017: President Tsai speaks on 30th anniversary of cross-strait exchanges. She reiterates the Taiwan government’s position that “our goodwill will not change, our commitments will not change, we will not revert to the old path of confrontation, and we will not bow to pressure.”


Oct. 28, 2017: President Tsai transits Honolulu.


Nov. 1, 2017: President Tsai visits Tuvalu.

Nov. 2, 2017: President Tsai visits Solomon Islands.

Nov. 3, 2017: President Tsai transits Guam.

Nov. 7, 2017: Taiwan Security Act introduced in US House of Representatives to enhance military cooperation and exchanges between the US and Taiwan.

Nov. 8, 2017: James Soong represents President Tsai at the Asia-Pacific Economic Cooperation (APEC) Economic Leaders Meeting in Vietnam.


Nov. 27, 2017: Lee Ming-che sentenced to five years for subversion of state power.
**Nov. 30, 2017:** US Congress adopts 2018 National Defense Authorization Act (NDAA), which includes language mandating strengthened defense cooperation between the US and Taiwan.

**Dec. 5, 2017:** Taiwan’s Legislative Yuan adopts Transitional Justice Bill.

**Dec. 6, 2017:** PRC Regulations on Counter-Espionage Law defines sabotaging unification as an act of espionage.

**Dec. 7, 2017:** People’s Liberation Army Air Force (PLAAF) aircraft approach Taiwan Air Defense Identification Zone (ADIZ) resulting in tense exchange with a Taiwan Air Force F-16.

**Dec. 8, 2017:** PRC Embassy Minister Li Kexin warns Washington that Beijing would use “military force” if Taiwan welcomed US Navy ships to its ports, claiming any US military presence in Taiwan would violate China’s Anti-Secession Law.

**Dec. 10, 2017:** American Institute in Taiwan (AIT) Chairman James Moriarty visits Taipei for consultations.

**Dec. 11, 2017:** Yu Zhengsheng, chairman of the National Committee of the Chinese People’s Political Consultative Conference, meets a delegation led by Yok Mu-ming, chairman of Taiwan’s New Party, in Beijing.

**Dec. 15, 2017:** Spanish court decides Taiwan fraud suspects will be deported to China.

**Dec. 20, 2017:** Taiwan and Japan sign marine emergency and rescue agreement.

**Dec. 21, 2017:** Beijing sentences 44 Taiwan telephone fraud suspects, deported from Kenya, to long jail sentences.

**Dec. 26, 2017:** Tsai administration releases its first National Defense Report, which includes the introduction of a “multiple deterrence” strategy, the procedures for arms procurement from the US, and references to the US “Indo-Pacific strategy.”