

CHINA'S REACTIVE AND PROACTIVE TAIWAN POLICIES

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Executive Summary

1. China's 19th Party Congress has made significant changes to its Taiwan policy, from promoting reunification (促统) through political negotiation to opposing independence (反独) with the strongest determination and via all necessary means.
2. This strategic change is reflective of deteriorating cross-Strait relations since 2016 and the Chinese government's predicament in cross-Strait relations in the last few decades: While China's Taiwan policy in the economic and social fields may be proactive and has achieved significant progress, its achievement in the political field has been frustrated by both external and internal factors.
3. Taiwan's rejection, US' obstruction and China's unfavourable internal situation have constrained China's initiatives for political negotiation with Taiwan.
4. In contrast to the cross-Strait political stalemate, the Chinese government's economic and social policies have successfully attracted Taiwanese capital, commodities and people to China. The negative impact of cross-Strait political tensions on economic and social integration has been minimal.
5. However, the positive impact of improved economic and social integration on political integration is also limited. The Taiwanese are increasingly aware of its negative impacts on Taiwan's employment, income inequality, political security and so on, which contributed to rising Taiwanese nationalism against China.
6. Nevertheless, the continuous rise of a more confident China, the relative decline of an inward-looking United States and the compromise of the DPP (Democratic Progressive Party) administration on the pro-independence issue will create more favourable internal and external conditions for China to settle the Taiwan issue.