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# **Discussion Paper: “The People’s Republic of China’s Taiwan Policy: Shifts and Continuities Since the 20th Party Congress Period”**

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Since 2016, the Taiwan policy of the People's Republic of China (PRC) has come to be defined by extreme military pressure on the island with frequent sorties in Taiwan's air space, military drills around the island, militarized rhetoric to reunify the island, suspension of official exchanges, and increased diplomatic and economic pressure on Taiwan. Such an approach saw a culmination in weeks-long military drills in response by China to the then US House of Representatives chairwoman Nancy Pelosi's visit to Taipei in August 2022, which came at a politically sensitive time in the lead-up to the 20th Party Congress in the PRC. As a result, cross-strait relations have gotten entangled with domestic politics and China's relations with the United States (US) and its allies threatening regional stability in the larger Indo-pacific region.

However, this approach is being toned down in the post-20th Party Congress phase. While frequent military drills and sorties are unlikely to change, rhetoric to unify the island militarily to thwart "independence forces" has softened considerably. During the annual "two sessions", Xi Jinping indicated such a shift when he stated that PRC wants to develop "peaceful" cross-strait relations. PRC suspended official contacts with the Democratic Progressive Party (DPP)-led government in 2016 while it maintained relations with local governments, business groups, and religious communities in Taiwan. The recent developments indicate an increased focus on exchanges with businesses and political groups other than the ruling DPP.

Former Taiwanese President during 2008-2012 Ma Ying-jeou is visiting Mainland China from March 27 until April 7, 2023, on a 12-day. During the visit, Mr. Ma is visiting several Chinese cities, and historical sites pertaining to the Chinese Civil, and is likely to meet senior officials in the State Council handling Taiwan affairs. Ma's visit is the first by a former or incumbent leader of the island since 1949 when the Kuomintang (KMT) or the nationalist party under Chiang Kai-shek fled to the island. The visit comes after another high-level official's trip to China in Feb 2023 when KMT vice-chair Andrew Xia [visited Mainland China](#) for 9 days.

The resumption of visits by the KMT officials has resonances in opening up to cross-strait business and people-to-people contacts. PRC [resumed trade in fisheries](#) in March 2023 which was banned during Nancy Pelosi's visit in August 2022. A trade delegation of the Taipei-based Chamber of Commerce is currently visiting China for a five-day trip, during which it is meeting senior officials managing Taiwan affairs at the State Council and other ministries and mainland businesses. Meanwhile, two other influential Taiwanese business bodies, the Chinese National Federation of Industries and the Chinese National Association of Industries and Commerce, have [announced](#) that their delegations will visit Mainland China in the coming months. These visits reinforce [PRC's efforts to attract Taiwanese businesses and skilled people which have continued](#) even while it suspended official contacts with Tsai Ying-wen-led government, and have greater political significance; Taiwan's exports to the Mainland including Hong Kong constitute about [40%](#)

[of total exports](#), and agriculture and seafood industries depend on exports to China, which also make Taiwan more vulnerable to economic coercion.

These steps, indicating a change in gear in PRC's approach to Taiwan, come in the wake of the leadership transition at the 20th Party Congress held in October and the "two sessions" of the National People's Congress (NPC), and the Chinese People's Political Consultative Conference (CPPCC) held from 4/5 March to 13th March, which stamped Xi Jinping's third term as the General Secretary and the changes in the State Council, China's cabinet.

There are three reasons why the Chinese leadership has shifted gears on Taiwan policy. First, the militarized approach is counter-productive as it risks pushing the majority of the [fence-sitting Taiwanese population](#), who support status-quo, to lean towards DPP's line of independent Taiwan. Moreover, it also obstructs people-to-people contacts and business exchanges, which affect a larger number of Taiwanese businesses, particularly small businesses in agriculture, the seafood industry, and tourism. Taiwanese farmers have been hit hard by PRC's ban on fruit and fisheries products. The severing of business and people-to-people exchanges, therefore, punctures the PRC's rhetoric of its concern for the well-being of compatriots across the straits.

Second, Taiwan is approaching general elections in 2024, the outcomes of which will be a major factor in shaping the nature of cross-strait relations. PRC has consistently attempted to influence elections in Taiwan for years in a bid to create a favorable environment in support of KMT. It has propped up [small political parties and groups](#) that oppose independence-leaning political lines in Taiwan. Hence, opening up for exchanges at societal and business levels will keep the avenues open to PRC narratives in the run-up to the elections to influence election outcomes.

Third, the militarized approach does not deter other powers like US and Japan to increase defense and business ties with Taiwan; PRC's response to Nancy Pelosi's visit had shown that even after it threatened military action, the visit took place and visits by senior officials from US, Japan, and other European countries have increased. In addition, such an approach helps the US and other countries to flag it as an example of the PRC's aggressive and destabilizing behavior. As a result, while it is unlikely that it will tone down military pressure on Taiwan, it has now begun to combine it with opening up cross-strait relations gradually. However, there is no sign that Chinese leadership is willing to open up official exchanges with the Taiwanese government and the DPP. Meanwhile, its diplomatic efforts to isolate the island continue with a possibility that Honduras, among the remaining handful of countries that recognize Taiwan, may shift its diplomatic recognition to the PRC.

As a result, while the PRC's goal of ultimate unification of the motherland even through the use of military force remains an open possibility, the Chinese leadership has changed its policy tactically in the run-up to the general elections in Taiwan in 2024 and to check adverse effects of its militarized policy on its long-term goals of courting Taiwanese population. Meanwhile, military pressure tactics are unlikely to change in events of potential visits by foreign officials or Taiwan's exchange with the US or its partners.