

## China's Foreign Policy Leadership: Testing Time

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Over the course of the last two years, and particularly since the elevation of Hu Jintao to the most prominent positions in China's leadership, several U.S. China specialists have noted that China's foreign policy appears to have undergone a significant transformation. As Evan Medeiros and Taylor Fravel put it in a very comprehensive article in the most recent issue of *Foreign Affairs*, "China's approach to bilateral relations, multilateral organizations, and security issues reflects a new flexibility and sophistication." Kenneth Lieberthal observed that the foreign policy of the People's Republic of China (PRC) has become "more confident . . . increasingly pragmatic, nuanced and consistent."<sup>1</sup>

The transformation seems to have accelerated in the past year, enabling Thomas J. Christensen to write, in *China Leadership Monitor* 8, that "U.S.-PRC security relations are as good as they have been since the Cold War days of cooperation in the 1980s."<sup>2</sup> Secretary of State Colin Powell, in a speech at the George Washington University in September 2003, went even further, saying, "U.S. relations with China are the best they have been since President Nixon's first visit [in 1972]."<sup>3</sup> While generally somewhat more cautious in their appraisals, Chinese commentators on bilateral relations have been similarly appreciative of the overall stability that has been achieved in the past two years, attributing it to a broadening of mutual interests. Former vice premier and foreign minister Qian Qichen told a gathering in Texas on November 5 that he agreed with Powell's characterization of bilateral ties and had hopes that "China-U.S. relations . . . may and can be even better."<sup>4</sup>

It is evidence of the volatility of the U.S.-China relationship, and of the difficulty of managing it consistently, that only a few weeks after these judgments were made, the current state of U.S.-China relations is bringing them into question. In fact, commentators on both sides are now forecasting considerable tension, possibly even hostility, within the next few months. The December visit to the United States of Premier Wen Jiabao, previously so eagerly anticipated as an opportunity to further bilateral amity, now seems clouded with uncertainty and anger.

The proximate cause of this rise in tensions, as it has been so often in the past, is the Taiwan issue, specifically the U.S. attitude toward the Chen Shui-bian government and certain actions Taiwan has taken that Beijing interprets as moves toward independence. No other issue—not human rights, religious freedom, nonproliferation, trade disputes, or currency valuation—can do as much damage as quickly to China's relations with the United States, or with any other country, as the Taiwan issue. As I put it in another publication, "U.S.-China relations are, in the end, hostage to the condition of Taiwan-PRC relations. No matter what the state of the other dimensions of bilateral

U.S.-PRC ties, the Taiwan issue can always create friction, if only on the basis of how Taiwan leaders choose to ‘push the envelope’ in terms of expanding Taiwan’s international profile or purchasing the latest-generation U.S. weapons.”<sup>5</sup> I might have added, “or revising their constitution.”

## The New Leadership and the Taiwan Issue

It is not my purpose in this short essay to rehearse the principles, policies, or history of the Taiwan issue, or its relevance to U.S.-China relations. The literature on that subject has recently been admirably augmented by Alan Romberg, of the Henry L. Stimson Center, with a book titled *Rein In at the Brink of the Precipice: American Policy toward Taiwan and U.S.-PRC Relations*,<sup>6</sup> which covers the complex topic in great detail but with considerable clarity. Rather, it might be interesting to focus on the challenge that managing this issue presents to General Secretary Hu Jintao and Premier Wen Jiabao as they attempt to consolidate their leadership, as well as on the implications of domestic political events in Taiwan for the domestic politics of the People’s Republic of China.

There does not appear to be much debate in China over the basic outlines of policy toward Taiwan or the principles that lie behind it. No one within the leadership, as far as we know, has ever argued that independence for Taiwan might be a good idea, or that forswearing a military option for reunification should be tried experimentally, or that democratic political reforms should be accelerated on the mainland so as to make “one China” more attractive to the people of Taiwan. Whatever merits those options might have from a pragmatic, problem-solving perspective, they are unacceptable within the ideological and political constraints of the Chinese Communist Party.

Similarly, in the current circumstances, there would not appear to be many feasible alternatives to China’s general approach of trying to use a combination of threats and incentives to deter the government and people of Taiwan from moving toward de jure independence, trying to prevent other countries from acknowledging Taiwan as a sovereign state, and trying to keep the United States from guaranteeing Taiwan’s security. There are, of course, those who might prefer a tougher approach, including the actual use of military force, to compel Taiwan to the bargaining table. But given the likely high economic costs of such an approach, and its demonstrated record of failure in 1954, 1958, and 1996, this viewpoint does not appear to enjoy much support. There does not appear to be much dispute—either within the leadership or in the public at large—that the current strategic approach is the correct one. Hu Jintao and Wen Jiabao easily inherited a policy that had been well established.

If there is controversy within the leadership over Taiwan, it is likely to be caused by issues relating to the allocation of resources, the timing of Taiwan-related initiatives, and perhaps most importantly, competency in policy implementation. Chinese political leaders are vulnerable to perceptions that the policies for which they are responsible are not working or that they are being outwitted by leaders on Taiwan or in Washington. Their detractors may or may not have alternative policy proposals; they are mainly

interested in taking advantage of an opportunity to make the leaders in question look bad. In the competitive environment of PRC politics—in which power is more important than policy—the perception of competency or the lack of it is a key factor in leadership dynamics. Thus, Jiang Zemin, despite his advocacy of a slightly milder line toward Taiwan in his “eight points” speech of 1995,<sup>7</sup> acquiesced with a much tougher approach, including costly military exercises and missile launches, after Taiwan President Lee Teng-hui rebuffed his overtures and U.S. President Bill Clinton rejected China’s demands that Lee be denied a visa to visit Cornell University to deliver a speech. The perceived failure of his more accommodating Taiwan policy approach led Jiang and others to adopt policies that were far more provocative, risky, and ultimately counterproductive.<sup>8</sup>

Although Hu Jintao’s current situation within the leadership is different from Jiang’s in 1995, there are some interesting parallels. Both could be seen as working to enhance and consolidate their authority in complex relationships among their peers, even with powerful political patriarchs operating informally in the background. As Jiang did in 1994, Hu Jintao has taken over responsibility for China’s foreign policymaking process through his chairmanship of the “leading small groups” in charge of foreign affairs and Taiwan affairs—a development not officially reported but generally acknowledged by China specialists.

In his report to the 16th Party Congress in November 2002, Jiang proclaimed the first 20 years of the 21st century a “period of important strategic opportunities” (*zhongyao zhanlue jiyu qi*) which China should “grasp tightly” to accomplish its main goals of building a “well-off society.”<sup>9</sup> Hu Jintao reiterated the point in his speech at the close of the 10th National People’s Congress in March 2003, and it has become a key formulation for foreign affairs commentators in China.

The main foreign affairs concepts involved in the “strategic opportunities” worldview are that relations among the world’s great powers are generally relaxed and cooperative and that power configurations among the great powers are likely to remain stable, but that the international power competition involving the great powers is highly complex, involving “soft power” capabilities as well as classic military and economic considerations. In this situation, China should seek to cooperate with other countries and expand its own economic strength, particularly in the first decade of the 21st century. On the Taiwan issue, at least some commentators expressed optimism that the chances of U.S.-PRC confrontation over Taiwan were small, while time seemed to be on China’s side with regard to prospects for Taiwan independence. China should thus bide its time, build its economy, build good relations with its neighbors, enhance cooperation with Washington, and avoid strategic risks.<sup>10</sup> Most of these commentaries maintained a healthy skepticism about or distrust of long-term prospects for cooperation with the United States.

What role China’s new leaders played in the consideration, adoption, and implementation of “strategic opportunity” policies toward the United States and Taiwan is not clear, although it seems likely Hu and Wen actively support the approach, which enables them to focus on their priority efforts to improve China’s economic development

policies. Hu is reported by some to be actively engaged in China's efforts to ameliorate the U.S.–North Korea dispute over Pyongyang's nuclear weapons, to the point of writing a personal letter to North Korean leader Kim Jong Il in July, presumably urging a return to negotiations.<sup>11</sup> China has refrained from strident criticism of U.S. policies in Iraq and elsewhere in the Middle East, even though it opposes them strongly in principle. The more moderate tone of China's foreign policy has even extended to U.S.-PRC economic relations. Beijing has responded in a surprisingly low-key fashion to the imposition of economic sanctions on Chinese companies (such as military production conglomerate Norinco) for alleged violations of international nonproliferation guidelines. Although Premier Wen Jiabao expressed "shock" at Washington's unilateral imposition of restrictive quotas on Chinese textiles and televisions, he has not pressed for specific retaliatory measures yet.<sup>12</sup>

## The Challenge of Chen Shui-bian

From the day of his election as Taiwan's president in March 2000—when he soundly defeated the Kuomintang (KMT) candidate Lien Chan and edged out the People First Party (PFP, a splinter party from the KMT) candidate Soong Chu-yu—Chen Shui-bian has been a focal point of worry and distrust for PRC leaders. Chen's political party, the Democratic Progressive Party (DPP), openly advocated independence for Taiwan, breaking the important symbolic attachment between the island and the mainland as belonging to "one China." Notwithstanding Chen's early pledges not to declare independence, change the official name of the Republic of China (ROC), promote a popular referendum on independence, or add former president Lee's doctrine of special state-to-state relations to the constitution,<sup>13</sup> PRC leaders steadfastly refused to deal with Chen in any substantive way, rebuffing his efforts at dialogue and vilifying his statements about Taiwan's sovereign status. Their approach was to provide careful political support to Chen's KMT and PFP opponents in hopes of preventing his reelection in March 2004, to enhance the economic interdependence between business interests on Taiwan and PRC enterprises, and to prevent Washington from expanding its support for the Chen government. During the past year, as the KMT and PFP have realigned themselves to run against Chen on a unified "pan-blue" ticket—which has won public support in Taiwan, leading Chen by as much as 20 points in some opinion polls—Beijing has seemed to relax its approach somewhat, perhaps in hopes of denying Chen a "China as bully" issue on which to rally public support.

Whatever shortcomings he may have as a chief executive, Chen is a very effective political campaigner, and he has used important symbolic issues to maintain the political initiative and keep the pan-blue alliance off balance. For example, he used a November visit to Panama, one of the few countries that maintain diplomatic relations with Taiwan, to demonstrate the continuing vitality of Taiwan's relations with the United States. Making use of relaxed U.S. guidelines on "transits" by Taiwan leaders through the United States, Chen made a highly publicized stopover in New York City, where he received an award for promoting human rights and made a strong pitch for his political agenda. He then proceeded to Panama, where he joined U.S. Secretary of State Colin

Powell among the official guests at that country's centenary celebration. A brief handshake between Chen and Powell was portrayed by Chen's publicists as a major breakthrough in expanding bilateral relations.

Chen has also successfully portrayed himself as a democratic innovator, promoting the idea of revising the ROC's constitution through a referendum to be held in conjunction with the presidential election in March 2004. Initially, Chen had proposed a referendum to decide the fate of a controversial nuclear power plant opposed by many DPP stalwarts. When Beijing expressed concern about plebiscites, which the DPP has threatened to use to decide on independence in the past, Chen shifted gears, suggesting that referenda might also be held to consider the official name for the Republic of China, as well as its flag. Although that proposal was rejected as unduly provocative of the PRC by Taiwan's legislature—in which the KMT and PFP have a slim majority—Chen raised the stakes in September by proposing that the ROC's 50-year-old constitution be revised through a referendum, perhaps as early as 2006. The pan-blue alliance, struggling to keep up with Chen's initiatives, reversed itself and supported the idea of a referendum, taking up implementing legislation in the Legislative Yuan in November 2003.

## Beijing Weighs In

At this point, the Chinese leadership apparently decided that the relaxed approach was not working and that political dynamics on Taiwan were no longer in their favor. Their decision may have been prompted by public opinion polls in Taiwan that showed Chen had not only closed the gap with the Lien-Soong ticket, but actually forged ahead.<sup>14</sup> On November 18, *China Daily* published an article quoting Wang Zaixi, a vice minister of the Taiwan Affairs Office of the State Council, who had told a seminar the previous day: "If the Taiwan authorities collude with all splittist forces to openly engage in pro-independence activities and challenge the mainland and the one-China principle, the use of force may become unavoidable."<sup>15</sup> Wang Daohan, chairman of the Association for Relations across the Taiwan Strait—the unofficial office responsible for negotiations with Taiwan—was quoted on the same day as giving a slightly milder warning, saying that the maneuvers of the "Taiwan authorities" constituted an effort to "hold a referendum on Taiwan independence," which would "push cross-Strait relations and the situation in the Taiwan Strait to a dangerous brink."<sup>16</sup> In the ensuing week, several commentators and officials publicly warned Taiwan that China would not "sit idly by" if Chen Shui-bian sought to "split the country."<sup>17</sup>

PRC Foreign Ministry spokesman Liu Jianchao also brought the U.S. government into the issue on November 19, publicly criticizing the head of the Washington office of the American Institute on Taiwan, Therese Shaheen, for telling a Taiwan audience that the United States doesn't "oppose" Taiwan independence, but simply "does not support it." Although the context for Shaheen's remarks was not stated, Liu called her remarks "truly ridiculous," insisting that "U.S. leaders have stated to the Chinese leaders on many occasions that the U.S. . . . 'is absolutely opposed to' Taiwan independence."<sup>18</sup>

The argument over whether the United States “opposes” (*fandui*) or “does not support” (*bu zhichi*) Taiwan independence goes back as far as the Clinton administration and has more to do with occasional imprecision in presidential language than with substantive policy differences. The official U.S. policy, clearly stated by both the Clinton and Bush administrations, is that the United States “does not support” Taiwan independence.<sup>19</sup> For its own reasons, however, the PRC has preferred to quote statements given in private summit meetings or letters to the effect that the United States opposes Taiwan independence. The term “opposes” connotes a responsibility to take action to prevent Taiwan independence, which Beijing clearly desires Washington to do. In a statement on November 25, Liu Jianchao was again blunt: “The U.S. should stop sending wrong signal[s] to the separatist forces of Taiwan by clearly opposing . . . Taiwan’s provocative actions of having a national referendum and writing a constitution [*sic*].”<sup>20</sup> In an interview with the *Washington Post* on November 21, Premier Wen Jiabao put the issue of Taiwan’s moves toward independence seriously, but mildly:

[O]n the question of Taiwan, the U.S. side must be very straightforward in adhering to the principles of the three Sino-U.S. joint communiqués and *in opposing Taiwan independence*. The U.S. side must be crystal clear *in opposing the use of a referendum or writing a constitution* or all other tactics used by the leader of Taiwan authorities to pursue his separatist agenda. . . . We completely understand the desire of the Taiwan compatriots for democracy, and we also understand their hopes for a peaceful environment. However, when the leadership of the Taiwan authorities wants to separate Taiwan from Chinese territory, no Chinese will agree. The Chinese people will pay any price to safeguard the unity of the motherland.<sup>21</sup>

A week later, a *People’s Daily* commentator was considerably less subtle. In a commentary directly critical of Therese Shaheen, a senior columnist for the official newspaper of the Chinese Communist Party charged that U.S. lack of clarity on whether it supports or opposes Taiwan independence was part of a “smug calculation” to maintain the status quo, contain China, and avoid “being dragged into war” over Taiwan. The commentator warned that the situation had gone “far beyond” the 1996 Taiwan Strait crisis and said that the United States had to answer two questions: Is Chen Shui-bian pursuing independence, and will the People’s Republic of China tolerate it? In the PRC’s view, according to this commentator, Chen’s goal is “crystal clear,” and the United States should not be fooled by him. But if, in fact, the United States was “conniving at” Taiwan independence, as suggested by Shaheen’s comments, “then Americans are playing a dangerous game . . . [b]ecause the mainland, both its government and its people, will never tolerate Taiwan independence and this is the bottom line for which the mainland would fight to protect at any cost. If America connives at Taiwan separatists to touch this line, then war will be unavoidable.”<sup>22</sup>

## Uncertain Outcome

As it turned out, events moved rather too quickly for Beijing's toughened stance to have much effect. On November 27–28, Taiwan's Legislative Yuan took up the issue of implementing legislation to permit national referenda. In what appeared to most commentators to be a setback for Chen Shui-bian, the pan-blue-dominated legislature passed a bill that set rigorous requirements for proposing national referenda—approval by 75 percent of the legislature, for example—and specifically barred referenda dealing with “altering the country's name, flag, anthem, and territory.” But, the legislature also approved a “defensive referendum” clause, authorizing the president to call a referendum “on national security issues when the country faces an external threat that could interfere with national sovereignty.”<sup>23</sup> Although openly disappointed with the new law, Chen said on November 29 that he would invoke the defensive referendum clause in the March 20, 2004, elections, citing the threat from China as his rationale. At this writing, spokesmen and commentators in Taiwan and elsewhere are still debating whether he can or should take such a step, which of course would present an even greater challenge to Beijing.

For their part, PRC observers expressed both satisfaction at the outcome, which they characterized as a defeat for Chen Shui-bian, and some relief at the demonstrated resurgence of the pan-blue forces. But, they remained cautious and wary, knowing that Chen still has four months to recoup his losses and that he will continue trying to provoke Beijing in the process.

For China's leadership, the ensuing months are going to be a time of further testing. Wen Jiabao's visit to Washington will be carefully scrutinized back home, and he faces a daunting challenge. Not only must he try to firm up Washington's position on Taiwan independence issues, but he must also deal with questions of U.S. arms sales to Taiwan and increasing military-to-military exchanges. And, some in Beijing are insisting that he demand the resignation of Therese Shaheen. On top of that, trade and currency issues that have been simmering for months between Washington and Beijing will again come to the fore. Wen's diplomatic skills will be put to the test. Although his job security is not in jeopardy—nor is Hu Jintao's—neither man's reputation will be burnished by the after-effects of the latest contretemps over Taiwan. How strongly they will push back against domestic critics to maintain China's mild-mannered approach to Washington and Taipei also remains an open question.

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## Notes

<sup>1</sup> Evan S. Medeiros and Taylor Fravel, “China's New Diplomacy,” *Foreign Affairs*, November/December 2003, <http://www.foreignaffairs.org/20031101faessay82604/evan-s-medeiros-m-taylor-fravel/china-s-new-diplomacy.html>, and Kenneth Lieberthal, “Has China Become an Ally?” *New York Times*, October 25, 2002, [http://www.wdi.bus.umich.edu/news/LieberthalNYT10\\_25\\_02.doc](http://www.wdi.bus.umich.edu/news/LieberthalNYT10_25_02.doc). See also Michael Swaine, “Reverse Course? The Fragile Turnaround in U.S.-China Relations,” Carnegie Endowment Policy Brief No. 22, February 2003, <http://www.ceip.org/files/pdf/Policybrief22.pdf>.

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- <sup>2</sup> Thomas J. Christensen, “PRC Security Relations with the United States: Why Things Are Going So Well,” *China Leadership Monitor* 8 (fall 2003), <http://www.chinaleadershipmonitor.org/20034/tc.html>.
- <sup>3</sup> Colin L. Powell, “Remarks at the Elliott School of International Affairs,” September 5, 2003, <http://www.state.gov/secretary/rm/2003/23836.htm>.
- <sup>4</sup> Xinhuanet, November 5, 2003, <http://202.84.17.73:7777/Detail.wct?RecID=8&SelectID=1&ChannelID=6034&Page=1>.
- <sup>5</sup> Robert L. Suettinger, *Beyond Tiananmen: The Politics of U.S.-China Relations, 1989–2000* (Washington, D.C.: The Brookings Institution Press, 2003), 436.
- <sup>6</sup> Alan D. Romberg, *Rein In at the Brink of the Precipice: American Policy toward Taiwan and U.S.-PRC Relations* (Washington, D.C.: The Henry L. Stimson Center, 2003); the book is also available online at <http://www.stimson.org>.
- <sup>7</sup> Jiang Zemin, “Continue to Promote the Reunification of the Motherland,” speech presented on January 30, 1995, <http://www.fmprc.gov.cn/eng/topics/3713/3715/t19061.htm>.
- <sup>8</sup> This is, of course, an oversimplified summation of a complex policy interaction. For more detail, see Suettinger, *Beyond Tiananmen*, chap. 6. For alternative interpretations, see John Garver, *Face Off: China, the United States, and Taiwan’s Democratization* (Seattle: University of Washington Press, 1997), and Willy Wo-lap Lam, *The Era of Jiang Zemin* (Singapore: Prentice-Hall, 1999), 171–82.
- <sup>9</sup> Jiang’s report can be found at [http://news.xinhuanet.com/english/2002-11/18/content\\_633685.htm](http://news.xinhuanet.com/english/2002-11/18/content_633685.htm).
- <sup>10</sup> There are numerous variations on these themes in China’s foreign affairs literature. See, for example, “The Choice of China’s Diplomatic Strategy,” *People’s Daily Online*, March 18, 2003, [http://english.peopledaily.com.cn/200303/19/eng20030319\\_113553.shtml](http://english.peopledaily.com.cn/200303/19/eng20030319_113553.shtml), and Guo Xuetao, “Zhua zhanlue jiyu, bi zhanlue fengxian” (Grasp strategic opportunities, avoid strategic risks), *Huanqiu shibao* (Global Times), February 21, 2003, <http://member.netease.com/~lugang/2003paper/xtguo.htm>.
- <sup>11</sup> Jae-suk Yoo, “China Asks North Korea for Nuclear Dialogue,” Associated Press, July 15, 2003.
- <sup>12</sup> See Wen’s November 21, 2003, interview with *Washington Post* editors and reporters at <http://www.washingtonpost.com/wp-dyn/articles/A6641-2003Nov22.html>.
- <sup>13</sup> The so-called four noes were included in Chen’s inauguration speech on May 20, 2000.
- <sup>14</sup> See, for example, “Chen Takes Lead in Taiwan Presidential Candidates Opinion Poll,” Agence France-Presse, November 7, 2003.
- <sup>15</sup> “Independence Stance May Trigger War,” *China Daily*, November 18, 2003, [http://www1.chinadaily.com.cn/en/doc/2003-11/18/content\\_282630.htm](http://www1.chinadaily.com.cn/en/doc/2003-11/18/content_282630.htm).
- <sup>16</sup> “Wang Daohan Speaks on Taiwan Authorities Pushing for ‘Taiwan Independence’ through ‘Holding a Referendum to Make Laws,’” Xinhua Domestic Service (Chinese), November 18, 2003, FBIS CPP-2003-1118-000043.
- <sup>17</sup> Chen Binhua and Zhu Huaying, “State Council Taiwan Affairs Office Spokesman Points Out, the Mainland Will Certainly Not Sit Idly By If Chen Shui-bian Creates a ‘Taiwan Independence’ Emergency,” Xinhua Domestic Service, November 26, 2003, FBIS CPP-2003-1126-000051.
- <sup>18</sup> Liu’s statements are available at the PRC Foreign Ministry’s web site, <http://www.fmprc.gov.cn/eng/xwfw/2510/2535/t44019.htm>.
- <sup>19</sup> Deputy Secretary of State Richard Armitage addressed this issue directly, if not entirely clearly, in a press conference on August 26, 2002. “The wording is important. By saying we do not support, it’s one thing. It’s different from saying we oppose it. If people on both sides of the Strait came to an agreeable solution, then the United States obviously wouldn’t inject ourselves. Hence, we use the term we don’t ‘support’ it. But it’s something to be resolved by the people on both sides of the question.” See “Press Conference—Conclusion of China Visit,” August 26, 2002, <http://www.state.gov/s/d/rm/2002/13180.htm>.
- <sup>20</sup> “Spokesman’s Remark on Comment Made by U.S. Deputy Assistant Secretary of State on Taiwan Question,” November 25, 2003, <http://www.fmprc.gov.cn/eng/xwfw/2510/2535/t48466.htm>.
- <sup>21</sup> Wen Jiabao interview, November 21, 2003, <http://www.washingtonpost.com/wp-dyn/articles/A6641-2003Nov22.html>. Emphasis added.
- <sup>22</sup> Lin Zhibo, “Don’t Overplay Tricks: Commentary,” *People’s Daily Online*, November 28, 2003, [http://english.peopledaily.com.cn/200311/28/eng20031128\\_129259.shtml](http://english.peopledaily.com.cn/200311/28/eng20031128_129259.shtml). The Chinese version is referred to as a *renmin shiping* (people’s commentary). Lin Zhibo is a veteran *People’s Daily* columnist with a generally conservative perspective.

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<sup>23</sup> Fiona Lu, "Legislature Passes Referendum Law," *Taipei Times*, November 28, 2003,  
<http://www.taipeitimes.com/News/front/archives/2003/11/28/2003077523>.