

# **The Construction of Taiwan Model of “One Country, Two Systems”: Concept and Framework**

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## **I. Model and the model of “One Country, Two Systems”**

“Model” is in essence a methodology, it refers to the systematic and theoretical conclusion of the methods of solving the problems of the same type. The formation of a model requires at least three conditions: being successful, being referential and being systematically planned.

The reasons for referring “One Country, Two Systems” as a model is as follows: firstly, it was tested to be successful by the return of Hong Kong and Macao and the smooth transfer of governance and over ten years of practice in Hong Kong and Macao after their return. Secondly, the resolution of the Questions of Hong Kong and Macao has created an example for peaceful resolution of problems left over from the history which is referential for other countries to resolve similar issues. Deng Xiaoping said: The world faces the choice between peaceful and non-peaceful means of solving disputes. “The successful settlement of the Hong Kong question may provide useful elements for the solution of international questions.”<sup>1</sup> “With the same model, we can resolve many other hot issues... Not only the problem of separation of a country, but also many other international disputes can be resolved peacefully.”<sup>2</sup> “I’m very confident that One Country, Two Systems will work. And this will be welcomed internationally, and set an example for other countries in the world to resolve problems left from the history.”<sup>3</sup> The wordings such as “elements”, “model” and “example” all refer to “One Country, Two Systems” which is a referential and reproducible model. So, in this sense, the model of “One Country, Two Systems” is not only a Chinese model, but also a model for the world. The model of “One Country, Two Systems” set an example not only for other countries to resolve similar problems, but also for China to resolve the reunification of mainland and Taiwan. “One Country, Two Systems” was originally designed for resolving Taiwan issue. Thirdly, the resolution of the issues of Hong Kong, Macao and Taiwan follows gradual implementation plans and steps and reflects the spirit of seeking the truth from facts by considering various relevant interests. According to Deng Xiaoping, “Our standpoint in considering the resolutions of issues of Hong Kong, Macao and Taiwan is: resolution of Hong Kong issue should comply with the interests of not only China but also Britain and Hong Kong, resolution of Macao issue should comply with the interests of not only China but also Portugal and Macao, and the resolution of Taiwan issue should comply with the interests of not only mainland but also Taiwan.”<sup>4</sup> This is also the very key that makes the reunification model of “One Country, Two Systems” better than other existing models of reunification and theoretical designs.

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Hong Kong and Macao model of “One Country, Two Systems” is distinct from “Taiwan model” of “One Country, Two Systems” in that the former is already an existing reality with a system design based on the framework of two Joint Declarations and two Basic Laws (it could be further divided into “Hong Kong Model” and “Macao Model” which are different from each other but share more common features) and the practice which has tested such model while the Taiwan issue is still yet to be resolved in practice. Thus, the Taiwan Model of “One Country, Two Systems” is still a philosophical one or a model of theoretical construction which is currently discussed and argued in comparison with the Hong Kong and Macao model of “One Country, Two Systems”, that is, its features are still yet to be revealed.

It is worth pointing out that the current discussions of the model of “One Country, Two Systems” is mainly a research at static level, that is, generalizing the static model of “One Country, Two Systems” by regarding it as an existing system arrangement. Such research ignores the dynamic development of this model. In fact, some system arrangements of “One Country, Two Systems” were already set before being practiced while others were formed during the process of resolving issues of Hong Kong and Macao, that is, during the process of actual practice. Therefore, even at the static level, we still need to conduct further theoretical generalization adding new experience and theoretical results developed in practice to the framework of the model of “One Country, Two Systems” to gradually expand the contents of the theory and make it more systematic.

Yang Kai-Hwang, a Taiwan scholar, raised a question in his article “Discussions of seeking win-win by both sides of Taiwan Straits”: “The biggest defect of the design of One Country, Two Systems is its lack of a design for transition period as One Country, Two Systems is a design for China after the reunification, so what is the relationship between the two sides of Taiwan Straits before reunification?”<sup>5</sup> Such question by Yang Kai-Hwang indicates the lack of correct understanding of the “One Country, Two Systems” idea among Taiwan scholars since the “One Country, Two Systems” principle includes designs for transition periods in both Hong Kong and Macao, nevertheless, this question is worth thinking.

The discussion of Taiwan model of “One Country, Two Systems” should be conducted at both static level which is the basis for building such model and dynamic level. At static level the basic meaning of such model should be generalized while at dynamic level its framework should be analyzed. According to the inherent logic of the practice of the “One Country, Two Systems” policy, the Hong Kong and Macao model of “One Country, Two Systems” can be classified into “return model” and “practice model”, and the future Taiwan model of “One Country, Two Systems” could be classified into “reunification (process) model” and “practice model”.

“Reunification model” refers to the way, methods, steps and organization structure in the process of reunification. According to the logic order of reunification process, the reunification model is further divided into several phases, at least three phases: phase of peaceful development, phase of political negotiation and phase of transition before reunification. Such division is made so that it can easily refer to and be easily compared with Hong Kong and Macao model, and it also helps to describe the features of Taiwan model in each phases.

The practice model of Taiwan Model of “One Country, Two Systems” refers to the ways and status of implementation of “One Country, Two Systems” in Taiwan after reunification and new experiences during the actual practice. Regarding the way of implementation, some can be stipulated in principle in the system design, but the major parts will be decided by both sides of

Taiwan Straits after the reunification.

## **II. Static Taiwan Model**

The Taiwan model of "One Country, Two Systems" should be a model with openness and inclusiveness. The construction of Taiwan model of "One Country, Two Systems" may assimilate the theories on reunification and relationship between the two sides of the Taiwan Straits from home and abroad besides the theory of "One Country, Two Systems" and Hong Kong and Macao models which are already in practice. In principle, the basic contents of Taiwan model is basically the same as the Hong Kong and Macao models with only minor differences, the principle contents include: one China, coexistence of two systems, high-degree autonomy and peaceful negotiation. These basic contents constitute Taiwan model at its static level.

Firstly, one China, that is, there is only one China in the world, both sides of the Taiwan Straits belong to this one China. One China is the basis and premise for "One Country, Two Systems". Both sides of Taiwan Straits belong to the Chinese nation, with blood tie and same destiny. The reunification of both sides of Taiwan Straits is "primarily a matter of Chinese nation, a matter of national feelings. All ancestors of Chinese nation hope for the reunification of China, and separation is against the national will."<sup>6</sup> "The reunification of China is the common wish for the Chinese nation including the people in Taiwan instead of a wish of any single party or any fraction, it is the wish for the entire Chinese nation."<sup>7</sup> After the reunification, "the Taiwan economy will rely on mainland as basis and have extensive room for development. Taiwan compatriots can exercise their rights to administer our country together with people in mainland, and share the respect and honour of our great motherland at the world stage."<sup>8</sup> Both sides of the Taiwan Straits can shoulder side by side the responsibility to rejuvenate the great cause of Chinese people which is the fundamental interests of all Chinese people including people in Taiwan. Of course, "one China" in the model of Hong Kong and Macao of "One Country, Two Systems" refers to the People's Republic of China (PRC). In Taiwan Model of "One Country, Two Systems", we must emphasize the upholding of the principle of "One Country, Two Systems"; nevertheless, with regard to the meaning of "one China", we should leave room for flexible interpretation and practice.

Secondly, coexistence of two systems, that is, under the premise of one China, mainland will maintain socialism while Taiwan will keep its former capitalism and life style, and the two systems will coexist with each other peacefully for a long period of time with one complementing with the other, learning from the advantages of the other and developing together. The system design of "two systems" indicates the essential spirit of Chinese political culture of "peace and harmony" – inclusiveness and compatibility. Fei Xiaotong and Li Yih-Yuan once commented on the essence of Chinese culture and its contribution to today's world: "capitalism and socialism are opposite towards each other, however, in China, they can coexist, and it's possible for different systems to coexist peacefully with each other, for the opposites to be harmonized with each other, and different things can be put together." Therefore, the idea of "One Country, Two Systems" has not only political meaning but also cultural meaning, it is a matter whether different things can coexist. This trial is very significant and meaningful, it is a significant innovation in the entire history of mankind.<sup>9</sup> The idea of "One Country, Two Systems" is in fact "harmony with diversity". "One Country" means "harmony" while "Two Systems" means "diversity". On the one hand, we should

seek the “harmony” of reunification, and on the other hand, we should recognize and respect the distinctions and differences actually existing between mainland and Hong Kong, Macao and Taiwan in their systems. The coexistence of two different social systems within one country doesn’t mean that “one will swallow up the other”,<sup>10</sup> neither will one social system try to replace the other. Coexistence of two systems means that “the social system and life style in Taiwan will remain unchanged and Taiwan people will suffer no loss”.<sup>11</sup> “No loss” means that no cost or sacrifice is required, Taiwan people could not only keep all the existing fruits including the fruit of democracy but also benefit greatly from the reunification. If most of Taiwan people seek to maintain the status quo, “One Country, Two Systems” will be indeed the best way to maintain the status quo, that is, to realize reunification while maintaining the status quo.<sup>12</sup>

Thirdly, high degree of autonomy, that is, after the reunification, Taiwan still enjoys high degree of autonomy as a special administrative region. Like Hong Kong and Macao, Taiwan will enjoy executive power, legislative power, independent judicial power and power of final adjudication, it can make its independent policy for social and economic development, keep financial independence, various legal rights and freedom of people and the trade activities and investment interests of foreign countries will all be legally protected. Further, the high degree autonomy in Taiwan is more extensive than that in Hong Kong and Macao. By “more extensive”, we mean that Taiwan are allowed to keep its own military force besides those policies applied in resolving Hong Kong issue.<sup>13</sup> Taiwan will still maintain its existing political structure, the representatives of all walks of life in Taiwan can also assume the positions of leadership in the state government and participate in the administration of national affairs. In the other words, Taiwan will enjoy higher status and more autonomy than the Hong Kong SAR and the Macao SAR.

Fourthly, peaceful negotiation, that is, Chinese on both sides of Taiwan Straits will resolve issues relating to reunification through equal political negotiations and democratic consultations. Under the premise of “one China”, everything is negotiable between the two sides of Taiwan Straits, including all concerns of Taiwan and all issues which need to be resolved during the process of peaceful reunification. Peaceful negotiation is the best means to resolve problems, as was done in resolving the issues of Hong Kong and Macao.

By the word “static”, we do not mean dogmatic, instead, we mean that the basic general principle remain unchanged. The theory of “One Country, Two Systems” at its static level includes the necessity to properly deal with the differences among Hong Kong, Macao and Taiwan. There is similarity and difference between Hong Kong issue and Macao issue, between the issues of Hong Kong and Macao and the Taiwan issue. Therefore, the Taiwan model of “One Country, Two Systems” is similar to Hong Kong and Macao models in the basic contents, but there is necessarily some differences. The design of autonomy in Taiwan model thus leaves more room than that for Hong Kong and Macao. The basic spirit of Hong Kong and Macao models of “One Country, Two Systems” is reflected in the *Basic Law of the Hong Kong Special Administrative Region of the People’s Republic of China* (hereinafter as “the Hong Kong Basic Law”) and the *Basic Law of the Macao Special Administrative Region of the People’s Republic of China* (hereinafter as “the Macao Basic Law”) while the framework for Taiwan model of “One Country, Two Systems” can also be reflected in the future legal agreement and documents to be negotiated by the both sides of Taiwan Straits.

### III. Dynamic structure of the Taiwan Model

Taiwan model of "One Country, Two Systems" at its dynamic level includes the model for reunification and the model for practice. The former is the dynamic arrangement before the reunification which has obvious periodical characteristics while the later is the means for actual practice after the reunification.

#### 3.1 Model for reunification

##### 3.1.1 Phase of peaceful development

Before realizing the goal of reunification, both sides of Taiwan Straits need to go through a long period of peaceful development based on the *1992 Consensus*, which is also the core of the New Thinking of Hu Jintao on the relationship of both sides of Taiwan Straits. Hu Jintao pointed out that understanding the topic of cross-Straits relationship and peaceful development at a strategic level and promoting the cross-Straits relationship and peaceful development are "confluent with the current of the times and in step with the historical trend, aptly serve the fundamental interests of the nation and the core interests of the country, embody the realistic spirit of venerating history, respecting reality, and revering the wishes of the people, and mirror a profound understanding of the laws governing the development of cross-Straits relations."<sup>14</sup> The phase of peaceful development is a significant feature of the reunification model which is not found in the return model of Hong Kong and Macao. Compared with the Questions of Hong Kong and Macao, the Question of Taiwan is much more complicated, and the realization of reunification of both sides of Taiwan Straits requires long period of psychological preparation and hard-working efforts. Therefore, a considerable long period of peaceful development is needed to allow both sides across the Straits to carry out economic and cultural exchange patiently, extensively and completely so as to gain precious period of strategic opportunity and transition period for the future political negotiation. The primary task of the phase of peaceful development is to realize economic exchange and mutual benefit across the Straits and allow smooth non-governmental exchange between people across the Straits, to increase mutual trust and decrease distrust, reshape the concept of China, cultivate national spirit and reinforce the economic foundation and the foundation of popular sentiments for peace. As a historic process, the schedule for the phase of peaceful development can not be defined, instead, it can only be decided by the practice of the interaction across the Straits.

Based on the experience of reunification in some countries after World War II, the primary condition for realization of reunification is the strong common will of the people for reunification. When the will for reunification and national coherence becomes so strong as to surpass the gap of ideology and social system, reunification will be realized naturally. The emotional appeal of reunification comes from the identification with Chinese nation and state on the other hand, and from the expectation for more benefits the reunification will bring on the other hand. Due to various reasons, the current identification of Taiwan people with Chinese nation and China is weakened, so it is our greatest primary task to awaken their national pride and the identification with China, which certainly needs long-term efforts. With Taiwan people not identifying themselves with the value of reunification and the mainstream popular sentiments expecting to keep the status quo, we should first of all establish the framework for peaceful development for the cross-Straits relationship with a long view, and make Taiwan people enjoy the actual benefits

through benign interactions and mutual development cross the Straits so that they will have good expectation for the reunification.

The New Thinking of the policy towards Taiwan proposed by the Communist Party of China (CPC) has been gradually developed based on framework of peaceful development of both sides across the Straits. The eight-point proposition for developing cross-Straits relations proposed by Jiang Zemin in 1995 can be regarded as the preamble for this framework, which states: political disagreement should not impede economic cooperation between the two sides of the Taiwan Straits. We shall continue, for an extended period, to implement a policy of encouraging Taiwanese investment in mainland and carry out the *Law of the People's Republic of China on Protecting Investments by Taiwan Compatriots*. In any circumstances, we shall protect all legitimate rights and interests of Taiwanese investors in a down-to-earth way and continually encourage exchange and contacts across the Taiwan Straits which promote mutual understanding. Since the direct links for postal, air and shipping services and trade between the two sides are the objective requirements for their economic development and contacts in various fields, and since they are in the interests of the people on both sides, it is absolutely necessary to adopt practical measures to speed up the establishment of such direct links. All these are substantial measures for the benefit of Taiwan compatriots. Hu Jintao proposed that "To seek for common welfare for the compatriots both in mainland and in Taiwan is the fundamental purpose for realizing peaceful development of cross-straits relationship."<sup>15</sup> With respect to the compatriots in Taiwan, "we respect, trust and rely on them in any circumstances, and we also stand in their shoes and make every effort to care for and protect their legitimate rights and interests."<sup>16</sup> "We must persist in putting people first, implement the principle of placing our hopes on the people of Taiwan in our various work related to Taiwan, understand, trust, and care for our compatriots in Taiwan, identify their wishes and appeals, address their concerns and help them overcome difficulties, and exert ourselves passionately to serve their needs. We must protect the legitimate rights and interests of our compatriots in Taiwan in accordance with the law, and unite with them in the broadest sense in promoting the peaceful development of cross-Straits relations."<sup>17</sup> With such an aim, from June 2008 till October 2011, the leaders of Straits Exchange Foundation (SEF) and the Association for Relations Across the Taiwan Straits (ARATS) held 7 meetings, and signed 16 agreements covering various areas such as tourism, sea transport, postal service, investment, finance, judicial, food safety, agriculture, fishery, industry and product standards, investment of mainland in Taiwan, intellectual property protection, medical and health cooperation and security of nuclear power. Through all these agreements, the fruits of peaceful development across the Straits can substantially benefit Taiwan people. The Cross-Straits Economic Cooperation Framework Agreement (ECFA) signed in June 2010 not only is an important indicator for the peaceful development across the Straits, but also plays significant role in promoting Taiwan economy and protecting Taiwan from being marginalized in the integration of east Asian economies.

The CPC's proposal of building the framework of peaceful development for cross-straits relationship in the new situation is in substance building the cross-Straits relationship of harmonious development. Since 2003, the CPC leaders have collectively proposed significant themes of the view of scientific development of putting people first and of building "harmonious society" and "harmonious world", and have been pursuing harmonious society internally while pursuing harmonious world externally. So the pursuit of settlement and harmony of both sides across the Straits and building harmonious cross-Straits relationship is included inherently in the

theme of building "harmonious society" for Chinese people across Taiwan Strait, and it could be regarded as a component or extension of building harmonious society in mainland because mainland, Taiwan, Macao and Hong Kong are all society of Chinese. China also needs a peaceful and stable international environment and domestic environment in order to take the path of peaceful development, therefore, both "the world" and the "internal society" of Chinese people should be harmonious. Therefore, the value system of harmony as proposed by the CPC is an integrity of "world peace", "social harmony" and "settlement of both sides across the Straits". And this has also provided new opportunity and new idea for the innovation of the system of cross-Straits relationship. The Chinese across Taiwan Straits should make the best of their political wisdoms to build jointly the Taiwan model based on the philosophy of harmony which is in compliance with the fundamental interests of people across the Straits and is more harmonious.

In a word, building the cross-Straits relationship of scientific development, peaceful development and harmonious development and promoting the new thinking which brings the cross-Straits relationship into the new phase of peaceful and harmonious development have enriched the political philosophy of "One Country, Two Systems", and meanwhile, the Taiwan model of "One Country, Two Systems" also provides even deeper meanings of peace, development and harmony. It requires people across the Straits to deliberate on the problem of how to promote both sides across Taiwan Straits to develop mutually in peace and harmony with such new thinking and philosophy so as to create conditions for political negotiation and peaceful reunification.

### **3.1.2 Phase of political negotiation**

Through long period of peaceful development, after the economic basis and the basis of popular sentiments are established across the Strait and the mutual trust is improved, the phase of political negotiation will come which is also the most critical stage for both sides across the Straits to reach common vision of reunification. During this stage, both sides will officially end the state of hostility, negotiate peaceful agreement and build the framework for peaceful development of cross-Straits relationship through political negotiations based on the *1992 Consensus*. This phase has dual characteristics, on the one hand, both sides across the straits will carry out political negotiations, form relatively clear vision of reunification and finally reach consensus on reunification; on the other hand, whether the political negotiation will be carried out smoothly or not, whether the peaceful agreement will be reached or not still require stronger economic basis and basis of popular sentiments. Therefore, we still need to promote the economic exchange, exchange of personnel, cultural exchange and emotional fusion between two sides of Taiwan Strait during this stage.

The issues of Hong Kong and Macao are resolved peacefully through diplomatic negotiation, with Chinese government and British government, Chinese government and Portugal government as the two parties of the negotiations and the resuming sovereignty over Hong Kong and Macao by Chinese government and the way of administration of Hong Kong and Macao by China after the resumption of sovereignty as the contents of the negotiations. However, Taiwan issue is Chinese internal affair, so it does not involve diplomatic negotiation, instead it only involves internal political negotiation between Chinese people across the Straits.

The definition of parties to the political negotiation across the Straits involves a gradual process. In the mid 1950s, the CPC proposed its willingness to negotiate the detailed steps and conditions for peacefully liberating Taiwan with Kuomintang authority, but the negotiation between

two sides across Taiwan Straits was defined as that between the central government and local government. After Deng Xiaoping proposed the formulation of “One Country, Two Systems”, the CPC sought truth through facts and defined the political negotiation across the Straits as an equal negotiation between two parties across the Straits based on the reality. In June 1983, on meeting foreign experts attending the conference on the policies of science and technology in Beijing, Deng Xiaoping said: “what we consider primarily concerning the third round of Kuomintang-Communist cooperation is the way of cooperation can be accepted by Taiwan. Kuomintang-Communist cooperation is first of all an equal discussion and negotiation. It is a negotiation between the two Parties on an equal footing, rather than talks between the central government in Beijing and the local government in Taiwan. In order to achieve the great cause of reunification of our motherland, we will take sufficient consideration of the conditions which are acceptable to Taiwan.”<sup>18</sup> He further pointed out in *An Idea for the Peaceful Reunification of the Chinese Mainland and Taiwan*: “Reunification must be brought about in a proper way. That is why we propose holding talks between the two Parties on an equal footing to achieve a third round of Kuomintang-Communist cooperation, rather than talks between the central and local governments.” Regarding the form and the participation of negotiation, Deng proposed: “Once the two sides have reached an agreement, it can be formally proclaimed. But under no circumstances will we allow any foreign country to interfere. Foreign interference would simply mean China is still not independent, and that would lead to no end of trouble.”<sup>19</sup> Regarding the contents of negotiation, Deng Xiaoping also had his own idea and he showed his strategic vision on certain significant issues. Shi Yanhua, the interpreter of Deng Xiaoping remembered that Deng Xiaoping once said in taking about Taiwan issue in the United States: “Under the premise of “One Country, Two Systems”, anything can be negotiated, including the name of our country.”<sup>20</sup>

Jiang Zemin’s Eight Point Proposal provides detailed suggestions regarding the parties, contents and procedures of negotiation. With respect to the parties to negotiation, it proposes that “representatives of all political parties and groups from both sides of the Taiwan Straits can be invited to participate in the negotiations for peaceful reunification”. With respect to the contents of negotiation, it is proposed that “on the premise that there is only one China, we are prepared to talk with the Taiwan authorities about any matter” which leaves great room for negotiation. Regarding the negotiation procedures, the Eight Point Proposal proposed an idea of accomplishing peaceful negotiation “step by step”. “As the first step, negotiations should be held and an agreement reached on officially ending the state of hostility between the two sides under the principle that there is only one China.” And as the second step, on this basis, the two sides may bear responsibilities together, maintain China’s sovereignty and territorial integrity, as well as plan the future development of the relations between the two sides separated by the strait.<sup>21</sup> Generally speaking, the Eight Point Proposal shifts the focus of the policy from after “One Country, Two Systems” to “before One Country, Two Systems”. Even though there is no such wording of “transitional period”, the idea of transitional period is already included.

Before the Eight Point Proposal was proposed, the 14<sup>th</sup> National Congress of CPC in 1992 had already proposed that “all issues can be discussed under the premise of One Country, Two Systems including the form of official negotiation between the two sides of Taiwan Straits”. In 1997, the 15<sup>th</sup> Nation Congress of CPC further proposed that “any ideas and suggestions which benefit the reunification of motherland can be proposed”. On 29<sup>th</sup> October 2001, while meeting with a delegation of China Reunification Alliance of Taiwan (CRAT) in Beijing, regarding the



disagreement on the "name of our country" – one of the major difficulties in cross-Straits relationship, Jiang pointed out that "both sides of Taiwan Straits could discuss the 'name' for our country which is acceptable by both sides based on the recognition that both sides belong to the same China, and 'China' could be taken into account as the name for our country covering both sides of the Straits."<sup>22</sup> The 16<sup>th</sup> National Congress of CPC in 2002 further elaborated on "all issues can be discussed on the premise of the one-China principle" as: "We may discuss how to end the cross-straits hostility formally. We may also discuss the international space in which the Taiwan region may conduct economic, cultural and social activities compatible with its status, or discuss the political status of the Taiwan authorities or other issues." The parties to the negotiation was redefined in the four-point guideline proposed by Hu Jintao in March 2005 as: Dialogues and talks between the two sides of the Taiwan Straits can be resumed immediately, and can be carried out on whatever topics and issues, so long as the Taiwan authorities acknowledge the 1992 *Consensus*. Regarding the contents of negotiation, "any issues can be discussed" contained even richer meanings in the four-point guideline: The two sides can not only talk about the official conclusion of the state of hostility, the establishment of military mutual trust, the Taiwan region's room of international operation compatible with its status, the political status of the Taiwan authorities and the framework for peaceful and stable development of cross-Straits relations, which we have proposed, but also talk about all the issues that need to be resolved in the process of realizing peaceful reunification.<sup>23</sup> On 31<sup>st</sup> December 2008, Hu Jintao offered six proposals for peaceful development of cross-straits relationship in his Speech at the forum marking the 30<sup>th</sup> anniversary of the issuance of the *Message to Compatriots in Taiwan*: in the days ahead, "the two sides may make pragmatic explorations in their political relations under the special circumstances where the country has not yet been reunified", further, "as to those individuals who formerly advocated, engaged in, or pursued 'Taiwan independence', we shall also warmly and sincerely welcome them to return to the correct course of promoting the peaceful development of cross-Straits relations."<sup>24</sup> "As long as the Democratic Progressive Party (DPP) of Taiwan changes its 'Taiwan independence' secessionist position, we are willing to make a positive response". That means, so long as the DPP gives up secessionist position, the CPC will not refuse to contact with it, nor build new political relationship between the two parties, nor discuss with DPP significant issues. In a word, the six proposals made by Hu Jintao in May 2009 provides more practical suggestions concerning the proposals of contents, steps and means for discussions and negotiations between two sides of the Straits. "Generally speaking, the cross-Straits discussions should proceed from easy topics to difficult ones, from economic topics to political ones following the proper pace and advance gradually; however, both sides should make preparations and create conditions for the resolution of such problems. Both sides may start to contact with each other in simple forms, accumulate experience and resolve difficult problems gradually."<sup>25</sup>

Political negotiation is the inevitable course for peaceful reunification. One of the inevitable difficulty for the political negotiation between two sides of the Straits is the positioning of two sides. This is different from the Questions of Hong Kong and Macao in which case the political positioning of Hong Kong and Macao after return is very clear, that is, Hong Kong and Macao belong to the Central Government of the PRC as SARs. Nevertheless, Taiwan authority has been making Taiwan "minimized, localized and marginalized" with the excuse of negotiating with mainland. "This groundless logic, after being advocated and propagated by the mainstream media day and night, has become the popular consensus in Taiwan, and any one who challenges such

consensus will be silenced or labeled.”<sup>26</sup> If we position Taiwan the same as Hong Kong and Macao, it will be difficult to start the cross-Straits negotiation. Since Taiwan Model has its specialty which is different from Hong Kong and Macao model, we need new thinking in the positioning, and we should respect the mutual status quo and position equally in adherence to the premise of “one China”.

### **3.1.3 Transition period before reunification**

During the transition period before reunification, both sides across the Straits can negotiate on the future political framework. As most of Taiwan people do not accept the system arrangement under Hong Kong and Macao model of “One Country, Two Systems”, we may need to create an innovative system arrangement which better fits the cross-straits realities, and then the constitutional laws could be signed and both sides will enter into run-in before the reunification.

The design of transition period during process of the return of Hong Kong and Macao may be useful reference for the construction of Taiwan model. The transition period before the return of Hong Kong and Macao is mainly divided into two parts, one is the pre-transition period which started from reaching agreements in diplomatic negotiations and signature of the joint declarations between Chinese and British governments and Chinese and Portugal governments; the second period is the post-transition period which started from the enactment of the Basic Laws. Such design safeguarded the stable transition of Hong Kong and Macao and has characteristic of obvious historic process and extension of history. Of course, in the transition period, Hong Kong and Macao need to resolve problems with their respective characteristics. For example, in post-transition period, Hong Kong needs to tackle the problem of run-in of political system while Macao needs to solve the problem of localization of public servants, laws and the official status of Chinese. Compared with the Questions of Hong Kong and Macao, the Question of Taiwan involves more factors, so its transition period will necessarily be longer involving more extensive aspects. The interference of “Taiwan independence” secessionists will be the major difficulty in this period. Nevertheless, the more complex the problem is, the more room we have in resolving the problem. The design of the transition period before reunification does indeed require the wisdom and imagination of people across the Straits. The transition period is in fact the process for both sides of Taiwan Straits to remove misunderstanding and gradually get accustomed with each other. Through benign interactions between both sides, seeking common ground while reserving differences, resolving disputes and identifying the intersection of both sides during the transition period, both sides will lay foundation for the reunification.

After reaching peace agreement through political negotiation, both sides of the Straits will enter into pre-transition period. During this period, both sides will maintain jointly the integrity of Chinese sovereignty and territory based on the “One Country, Two Systems” principle politically; and accelerate the integration economically. Afterwards, both sides will enter into post-transition period based on the constitutional law prepared by both sides. Such law is similar to the Basic Laws made before the return of Hong Kong and Macao which systemize the governance model after the reunification of both sides of Taiwan Straits. Of course, due to the special nature of cross-straits relationship, besides the form of law, we may also consider the form of unified program to define the new political and economic order across the Straits so as to achieve voluntary reunification based on the free will of both sides of Taiwan Straits.

### **3.2 Model for practice**

Model for practice refers to the detailed measures of practice of "One Country, Two Systems" in Taiwan after the reunification including allocation of powers, system arrangement and form of structure. It mainly describes the actual state of implementation of the "One Country, Two Systems" policy in Taiwan.

Since the formulation of the "One Country, Two Systems" principle was proposed by Deng Xiaoping, the CPC leaders of several generations have talked about the implementation of the "One Country, Two Systems" policy in Taiwan after the reunification of two sides of Taiwan Straits. However, the cross-straits political negotiation still has not started and the "One Country, Two Systems" policy has not been put into practice in Taiwan, thus the model for practice of the "One Country, Two Systems" policy in Taiwan is still a theoretical argument and expression of policies. One thing is nevertheless definite, that is, the model for practice of the "One Country, Two Systems" policy to be implemented in Taiwan will be more extensive than that in Hong Kong and Macao. By "extensive", we mean that Taiwan is allowed to keep its own military force under the condition that it does not impose any threat to mainland besides high degree of autonomy enjoyed by Hong Kong and Macao. Taiwan will still maintain its existing political structure and its practice of free election. After the resumption of sovereignty over Hong Kong and Macao, there is no problem in maintaining "One Country", people focus more on the regularity of "Two Systems" while the key of Taiwan issue lies in "One Country", so long as the Taiwan authority recognizes the principle of "one China", a more relaxed system arrangement under "two systems" will only benefit all Chinese across the Straits.

In essence, the modal for practice of the "One Country, Two Systems" policy in Taiwan is the detailed arrangement of "Two Systems" after the reunification which is the result of the mutual negotiation between both sides instead of being forced upon one side by the other. As the Taiwan model of "One Country, Two Systems" is still a concept, its inclusiveness and shapeability should be greater and its theoretical contents can be determined according to the actual process of practice of cross-straits relationship. New practices will certainly make Taiwan model richer and more extensive. At present, we can hardly give an accurate estimation of its contents, however, the structuring of Taiwan model will definitely be a process full of creativity and innovation.

From the perspective of the science of politics, the model of practicing the "One Country, Two Systems" policy in Hong Kong and Macao is carried out under the premise of adhering to the unitary state structure while absorbing certain functions and features of composite system, which does not change the unitary state structure of China. According to the two Basic Laws, the high degree of autonomy enjoyed by two SARs does not only exceed the scope of local autonomy under traditional unitary system, but also exceed scope of authority enjoyed by the states under federalism in many aspects. Xiao Weiyun who participated the drafting of two Basic Laws pointed out that the "high degree autonomy of the SAR is much higher than the autonomy enjoyed by local ethnic autonomous regions in China (under unitary state structure), also higher than the local autonomy in normal capitalist countries and higher than certain autonomy of the states under federalism." "It is a local autonomy with new features, a new local autonomy under the 'One Country, Two Systems' policy"<sup>27</sup> However, the high degree autonomy enjoyed by the Hong Kong SAR and the Macao SAR are granted by the central government, no matter how special these SARs are, they are still the SAR under the unitary state structure. The opinion that the high degree autonomy of Hong Kong and Macao is the same in nature with the power enjoyed by the states under federalism is open to

question. With respect to its form, the power enjoyed by the member states under federalism is inherent and is the result of transferring national power to the member states; with respect to its contents, the member states enjoy certain degree of sovereignty.<sup>28</sup> Nevertheless, the authority enjoyed by the Hong Kong SAR and the Macao SAR under the “One Country, Two Systems” policy is granted by the central government, the SARs enjoy high degree of autonomy instead of sovereignty. That is to say, with respect to the relation between Central government and the SARs, it is one between the granter and the authorized.<sup>29</sup> The high degree autonomy of SARs is the autonomy granted by the central government, it is the authorized autonomy, and the SARs and the central government are not on equal footing, instead, the relationship between them is still one between central government and local autonomous government, which is clearly stipulated in the two Basic Laws and reflected in the practice after the return of Hong Kong and Macao.

Regarding Taiwan, the mainland scholars on Taiwan issue have made many proposals relating to the allocation of powers and form of structure between Taiwan and mainland which however are basically still limited to the framework of Hong Kong and Macao model of practice with Taiwan enjoying only higher degree of autonomy and higher status of administration. For example, Prof. Li Jiaquan proposed to establish a grand administration in Taiwan with authority just subordinate to the central government while higher than all other provinces and municipalities under its administration based on the idea of “greater administration” once practiced during early period of the PRC.<sup>30</sup> Although this formulation of “greater administration” emphasizes the higher administrative status of Taiwan than normal administrative regions and Hong Kong and Macao SARs, it still positions Taiwan under the unitary state structure. Some scholars made proposals with more extensive thinking. For example, Wang Liping proposed that the “Two Systems” under “One Country, Two Systems” may refer to unitary system and federal system. If it is possible theoretically and in practice, the principle of “one China” under “One Country, Two Systems” does not exclude the idea of reunification with federal system. Regarding the state structure, there’s no distinguishment of good structure or bad structure, the unitary state may well adopt some features of federal states in order to realize the integrity of sovereignty and territory, which is still valuable in helping to realize the reunification and the territorial integrity although it might blur the distinction between two basic forms of state structure.<sup>31</sup> The “federal system” in this proposal refers to the idea of realizing the reunification of Taiwan and mainland by applying the principle of federalism on the basis of adhering to the unitary state structure. Under this proposal, the autonomy enjoyed by Taiwan is the “separated autonomy” with the spirit of federalism instead of “authorized autonomy” as practiced in Hong Kong and Macao. Wang Yinjin also proposed a state structure after the reunification<sup>32</sup>, according to him, different from Hong Kong and Macao model, Taiwan authority will transfer to the central government the powers symbolizing the sovereignty such as diplomatic power while reserving all the “residual powers” through negotiation between both sides based on the recognition of the governance power already enjoyed by Taiwan currently. That is, Taiwan is allowed to enjoy “separated autonomy” according to certain laws instead of “authorized autonomy” as enjoyed by Hong Kong and Macao. Since the principle of federalism is adopted under the unitary system of state structure, the relationship between the central government and Taiwan is neither the traditional one between central and local government nor the relationship between central governments of different scope of powers under the model of confederation, instead, it is the relationship between central government and quasi-central government. No system of confederation is implemented, however the principle and spirit of confederationism is applied. If

we could describe Hong Kong and Macao model of "One Country and Two Systems" as unitary system with features of federalism, the above-mentioned Taiwan model could be described as application of principle of confederationism while adhering to the unitary state structure. According to Wang Yingjin, such an approach of having Taiwan transfer certain powers while keeping the residual powers both complies with the principle of "one China" and take into account of the political appeals of Taiwan.

#### **IV. Building the model for reunification and development of China jointly by both sides of Taiwan Straits**

The idea of "One Country, Two Systems" results from the thinking on the reunification, but is beyond the unification itself. In other words, the formulation of the "One Country, Two Systems" policy is above all a system arrangement based on the need of reunification, but also a great idea for the new model of developing modernism in China including both sides of Taiwan Straits, Hong Kong and Macao, that is, the above four areas cooperate with each other strategically, compete with each other orderly and march side by side into modernism through three different models of political and economic development (with capitalist development model in Hong Kong and Macao, the development model of the Three-people's principle in Taiwan and the model of developing socialism of Chinese characteristics in mainland) under two systems within one single great China. So, in this sense, the model of "One Country, Two Systems" is an experiment of a brand-new model of developing modernism with Chinese characteristics.

In proposing the "One Country, Two Systems" policy as a resolution of reunification, Deng Xiaoping combine the development in Hong Kong, Macao and Taiwan with the modernism of China. In facing the great opportunities and challenges of the prosperity of Asian pacific area after the war and the uprising of east Asia, Deng Xiaoping was inspired by the development model and experience of "Four Little Dragons" and decided timely to open up areas near Hong Kong, Macao and Taiwan and carry out the experiment of market economy there, he further drew innovatively the blueprint of "One Country, Two Systems" for the future development of China. In his talk with the former Hong Kong Governor Murray MacLehose in 1979, Deng explained particularly why special policy would be adopted towards Hong Kong, Macao and Taiwan: "the reason is very simple, we need it. Such policy and standing point we take is good for the socialist constructure and realization of modernism."<sup>33</sup> In explaining why we keep the policy of "One Country, Two Systems" unchanged for 50 years, Deng emphasized several times: "when we say that our policies with regard to Hong Kong will remain unchanged for 50 years, it is not out of impulsion, we mean this with consideration of the needs of Chinese realities and development... If this basic view of ours is understood, the reason why we have this policy will be understood and the statement that our policy will remain unchanged will not be doubted."<sup>34</sup> "We have ground to say that the policy will remain unchanged for 50 years, we said so not only to reassure people in Hong Kong, we have also taken into consideration the close link between the stability and prosperity of Hong Kong and the development strategy of China."<sup>35</sup> Hong Kong, Macao and Taiwan play particular roles in the reform and opening-up of China and the building of modernism, and we must maintain the prosperity and stability of these areas if we want to keep them playing their particular roles, so we must keep their systems and development models unchanged for a long period of time.

In this sense, Taiwan model of “One Country, Twos Systems” is not only a model for reunification which needs to be built jointly by both sides of Taiwan Straits, but also a model for governance and development of our country which requires common efforts of both sides.

The current structuring of the system for peaceful development of both sides of the Straits, the future reunification model and the new model of modernization should all be built by both sides across the Straits instead of being the obligation and responsibility of any single party. It was pointed out in the 17<sup>th</sup> National Congress of CPC that “we will make every effort to achieve anything that serves the interests of our Taiwan compatriots, contributes to the maintenance of peace in the Taiwan Straits region, and facilitates peaceful national reunification.” Therefore, any system arrangement which facilitates the economic, political, social and cultural development of both sides of the straits and helps to realize mutual benefit and win-win of both sides can be included in the system design of Taiwan model of “One Country, Two Systems”. If both sides of Taiwan Straits could build a new model of “One Country, Two Systems” together, we can well expect not only the coordination between two different social systems and functional assimilation of two different forms of state structure, but also the realization of the blueprint of new modernism depicted by Deng Xiaoping.

## Notes:

- <sup>1</sup> Deng Xiaoping (1993). *The Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People’s Publishing House. 59-60.
- <sup>2</sup> Chinese Communist Party Literature Research Center (2004). *Deng Xiaoping Chronology (1975-1997)*. Beijing: Central Party Literature Publishing House. 1122.
- <sup>3</sup> Deng Xiaoping (1993). *Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People’s Publishing House. 30. 68.
- <sup>4</sup> Chinese Communist Party Literature Research Center (2004). *Deng Xiaoping Chronology (1975-1997)*. Beijing: Central Party Literature Publishing House. 1176.
- <sup>5</sup> Yang Kai-Hwang (1996). *Toward a Win-win for Both Sides of Taiwan Strait*. Taipei: History Think Tank Publishing Co. 62.
- <sup>6</sup> Deng Xiaoping (1993). *Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People’s Publishing House. 170.
- <sup>7</sup> *Ibid.* 219.
- <sup>8</sup> Jiang Zemin (2006). *Selected Works of Jiang Zemin (Volume 3)*. Beijing: People’s Publishing House. 565.
- <sup>9</sup> Fei Xiaotong and Li Yih-Yuan (1998). Chinese Culture and Sociology and Anthropology in the New Century – Dialogue between Fei Xiaotong and Li Yih-Yuan. *Journal of Peking University (Philosophy and Social Sciences)*. Volume 6. 85-86.
- <sup>10</sup> Deng Xiaoping (1993). *Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People’s Publishing House. 30.
- <sup>11</sup> *Ibid.* 170.
- <sup>12</sup> Wang Zhenmin (2007). Changes in Understanding of National Reunification in Light of “One Country, Two Systems”. *Global Law Review*. Volume 5. 47.
- <sup>13</sup> Deng Xiaoping (1993). *Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People’s Publishing House. 86.
- <sup>14</sup> Hu Jintao (2009). Let Us Join Hands to Promote the Peaceful Development of Cross-Straits Relations and Strive with a United Resolve for the Great Rejuvenation of the Chinese Nation. *People’s Daily*. 1<sup>st</sup> January 2009.
- <sup>15</sup> Hu Jintao Met With Lien Chan and Taiwanese Attendees at the Cross-Strait Economic and Trade Forum (2006).

- People's Daily*. 17<sup>th</sup> April 2006.
- <sup>16</sup> Hu Jintao (2006). Adhere to the One-China Principle and Promote the Reunification of the Motherland (4<sup>th</sup> March 2005). *Literature of Chinese Communist Party*. Number 2. 4.
- <sup>17</sup> Hu Jintao (2009). Let Us Join Hands to Promote the Peaceful Development of Cross-Straits Relations and Strive with a United Resolve for the Great Rejuvenation of the Chinese Nation. *People's Daily*. 1<sup>st</sup> January 2009.
- <sup>18</sup> Jiang Yongqing, Zhou Kun and Wang Dayang (2012). Manifestation of the Essence of Deng Xiaoping Thought. *Literature of Chinese Communist Party*. Number 1.
- <sup>19</sup> Deng Xiaoping (1993). *Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People's Publishing House. 31.
- <sup>20</sup> Shi Yanhua (2010). Words of Significance – Interpreting at Diplomatic Meetings. *Beijing Youth Daily*. 8<sup>th</sup> October 2010.
- <sup>21</sup> Jiang Zemin (2006). *Selected Works of Jiang Zemin (Volume 1)*. Beijing: People's Publishing House. 421-422.
- <sup>22</sup> Li Jiaquan (2002). A Discussion on Implementation of "One Country, Two Systems" for Taiwan and Related Issues, *Modern Taiwan Studies*. Volume 2.
- <sup>23</sup> Hu Jintao (2006). Adhere to the One-China Principle and Promote the Reunification of the Motherland (4<sup>th</sup> March 2005). *Literature of Chinese Communist Party*. Number 2. 4.
- <sup>24</sup> Hu Jintao (2009). Let Us Join Hands to Promote the Peaceful Development of Cross-Straits Relations and Strive with a United Resolve for the Great Rejuvenation of the Chinese Nation. *People's Daily*. 1<sup>st</sup> January 2009.
- <sup>25</sup> Hu Jintao, General Secretary of the CPC Central Committee Held Talks with Wu Poh-hsiung, Chairman of Chinese Kuomintang (2009). *People's Daily*. 27<sup>th</sup> May 2009.
- <sup>26</sup> Ji Xin (2003). *One Country, Two Systems in Taiwan*. Taipei: Strait Academic Publication. 283.
- <sup>27</sup> Xiao Weiyun (2003). *On Macao Basic Law*. Beijing: Peking University Press. 269. Xiao Weiyun (2003). *On Hong Kong Basic Law*. Beijing: Peking University Press. 294-296.
- <sup>28</sup> Xiao Weiyun (2000). "One Country, Two Systems" And Hong Kong Basic Legal System. Beijing: Peking University Press. 218-220.
- <sup>29</sup> Xiao Weiyun (2003). *On Hong Kong Basic Law*. Beijing: Peking University Press. 196.
- <sup>30</sup> Li Jiaquan (2002). The Eight-Point Proposal By Qian and "One Country, Two Systems". *Journal of Chongqing Institute of Socialism*. Number 1. 21.
- <sup>31</sup> Wang Liping (2000). *Federalism and the World Order*. Beijing: Peking University Press. 216-217.
- <sup>32</sup> Wang Ying-Chun (2004). *A Study of Models for National Reunification*. Taipei: Boy Young Cultural Undertakings Publishing Company. 308.
- <sup>33</sup> Qi Pengfei (2004). *Deng Xiaoping and the return of Hong Kong*. Beijing: Huaxia Publishing House. 61.
- <sup>34</sup> Deng Xiaoping (1993). *Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People's Publishing House. 103.
- <sup>35</sup> *Ibid.* 267.