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Rethinking the Logic of Beijing's Divided Rules Policy toward Hong Kong and Taiwan: A Constructivist Explanation

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Abstract

The dynamic relations between mainland China, Hong Kong and Taiwan over the past few decades have attracted many scholars to explain and predict this interesting phenomenon using various theoretical approaches. Economic integration theory has received the most academic attention, anticipating that economic interdependence will generate a spillover effect on political integration. However, political reality has illustrated the inadequate explanatory power of this theory. Based on this understanding, the present article develops a new analytical framework derived from the revised social constructivism and argues that Beijing's policy toward Hong Kong and Taiwan is a mixed strategy incorporating three dimensions, namely force, interest and legitimacy; this is labelled the 'divided rules policy'. These three dimensions are working simultaneously and compatibly with different emphases, depending on Beijing's assessment and judgement on the specific political situation in Hong Kong and Taiwan. To elaborate Beijing's policy logic in realpolitik, this article considers two critical turning points that occurred in Hong Kong and Taiwan, the Hong Kong White Paper and 31 Measures, as case studies, and it predicts that the relations of mainland China, Hong Kong and Taiwan will grow tighter than they were before.

Keywords: *Logic of Beijing's Policy; Beijing–Hong Kong Relations; Cross-strait Relations; Divided Rules Policy*

1. Introduction

Despite considerable differences in their political and social history, Hong Kong and Taiwan have become increasingly similar in recent years; this is because mainland China seeks to exert its political power on their domestic

politics by using a comprador policy as leverage, a policy that mainly focusses on using business connections to force political change and employing civic society to put pressure on politicians in Hong Kong and Taiwan, which is firmly consistent with its economic statecraft (Norris, 2016; Williams, 2005).

The growing similarity between Hong Kong and Taiwan, shaped by Beijing's policy, has attracted many scholars to explain and even predict the development of their relations. The most popular argument is economic integration theory, which is mainly based on neofunctionalism, arguing that the spillover effect generated by economic cooperation will eventually lead to political integration. While economic integration theory provides various insights into the relations of mainland China, Hong Kong and Taiwan, it is a single-attribution approach, and thus, it may miss other crucial perspectives (e.g. political aspects). This single attribution may propose several interesting questions, as follows: First, does economic integration provide a full picture for explaining the dynamic Mainland–Hong Kong–Taiwan relations? Second, what is the real logic behind Beijing's policy toward Hong Kong and Taiwan? Third, how does this logic operate in realpolitik?

The possibility of completely answering these questions in such a limited article is low; however, adopting a revised social constructivism as an analytical framework, this article argues that the logic of Beijing's policy towards Hong Kong and Taiwan does not have a single dimension, as supported by economic integration theory, but instead, it is a multidimensional policy incorporating the aspects of force, interest and legitimacy. More specifically, this article asserts that the Beijing government adopts a mixed strategy, labelled 'divided rules', by setting force as the basis for deterring so-called secessionists, using the economic interest as leverage to capture the hearts of Hong Kongers and Taiwanese people and considering legitimacy as the ultimate goal for reconstructing its authority in the Hong Kong Special Administrative Region (HKSAR) and Taiwan. These three dimensions work simultaneously and compatibly with different emphases, depending on Beijing's assessment and judgement on the specific political situation.

By conducting a theoretical revision on social constructivism, this new analytical framework offers a different explanation in the study of Beijing's policy logic toward Hong Kong and Taiwan, differentiating it from power-based realism and interest-driven economic integration theory. To support this argument, two typical turning points are employed as case studies in this article, as follows: the report titled 'The Practice of "One Country, Two Systems" Policy in Hong Kong Special Administration Region' (hereinafter, the 'Hong Kong White Paper'), which was officially issued by Beijing in 2014, and 'Measures to Promote the Economic and Cultural Exchange in Cross Strait Relations', released by the Chinese Taiwan Affairs Office of State Council (TAO) in 2018 (hereinafter, '31 Measures').

This article is organized into four sections. The first provides a brief literature review of studies on how the economic integration theory explains the dynamic relations between mainland China, Hong Kong and Taiwan and presents the revised social constructivism as an analytical tool for re-examining Beijing's policy toward Hong Kong and Taiwan. Two empirical case studies are examined in the third section to assess what the logic behind Beijing's policy is and how the logic can operate in realpolitik. The final section presents conclusions drawn from the case study findings.

2. Theoretical Framework: A Revised Social Constructivism as an Analytical Tool

2.1. Political Integration through Economic Dependence?

The complexities and dynamics of mainland–Hong Kong–Taiwan relations has attracted many scholars to contribute their viewpoints and theories. Among them, economic integration theory has received the most attention. This is partly because the rise of China, especially the tremendous growth in the gross domestic product (GDP) over the past decades since Deng Xiaoping's Reform and Opening-up Policy of the 1980s, has exerted a powerful influence within and beyond the greater China region. Relying on its huge economic size and rapid growth rate, mainland China is widely regarded as a magnet that, beyond incorporating, can also create asymmetric economic dependence in both Hong Kong and Taiwan (Sung, 2005; Wang & Schuh, 2000).

Economic integration theory is mainly derived from *functionalism* or *neofunctionalism*, which is seen as a socially-centred approach in explaining the intraregional interactions. The viewpoint of functionalism argues that regional integration should be a top-down process, which requires the government to promote integration based on common interests and a social consensus (Hass & Schmitter, 1964). Two key arguments are especially illustrated by functionalists: First, the interdependence among different regions has the nature of expansion, which means that the cooperation between governments in one realm will generate a so-called spillover effect to develop more communication in other realms (Mitrany, 1966: 97). Second, the functionalists suggest that people's loyalty toward their nations will transfer to the new functional organization with the deepening process of regional integration (Dauherty & Pfaltzgraff, 1981: 419).

Related to the relations of mainland China, Hong Kong and Taiwan, existing literature mainly focusses on how mainland China uses the economic framework, referring to the Closer Economic Partnership Arrangement (CEPA) and Economic Cooperation Framework Agreement (ECFA) as

economic leverage for exerting its political influence in Hong Kong and Taiwan. More specifically, in light of CEPA, some scholars have begun to question the real benefit this arrangement brings to Hong Kong society. Lui Tai-lok (2014), for example, examined the aspect of the changing relations between Hong Kong and mainland China in the course of national and regional integration, suggesting that Hong Kong is gradually finding itself with a decreased ability to further capitalize on the motherland's rapid economic growth. A more pessimistic viewpoint delivered by Samson Yuen (2014) is that Hong Kong's asymmetric dependence on mainland China cannot be merely interpreted through economic interest; it also provides an open platform for the Chinese Communist Party (CCP) to carry out the united front work, which may enhance the CCP's political influence in Hong Kong society. Brian Fong (2014) further elaborated on this point from patron–client theory. He observed that business elites have been increasingly overrepresented among the Hong Kong delegations to the National People Congress. Fong argued that the representation allows the Beijing government to 'undermine Hong Kong's relative autonomy', resulting in a state–business alliance.

With respect to the ECFA in cross-strait relations, a similar theoretical logic can be found in understanding the interactions between mainland China and Taiwan, which can be divided into the macro-level, medium level and micro-level (Hu, 2013). At the macro-level, Cal Clark (2003) tried to explain cross-strait economic integration based on the successful experience offered by the European Union. He asserted that mainland China and Taiwan have created a growing integration at the level of 'low politics' and 'people-to-people diplomacy'. However, after applying the EU's model in mainland China–Taiwan relations, Clark found that cross-strait relations are largely blocked by some key aspects (e.g. the dispute over sovereignty), which means that the EU's experience is not applicable to cross-strait relations. At the medium level, Beijing's economic interdependence is considered as a strategy for manipulating cross-strait relations. Miles Kahler and Scott Kastner (2006), for example, labelled the economic interdependence as 'engagement strategy', which aims at changing the foreign behaviour of target states or actors. Similarly, Karen Sutter (2002) proposed that a dynamism of business interests in the development of cross-strait relations may pull the government's policy along as policymakers struggle to keep pace with commercial reality, which means that the economic strategy could exert a powerful effect on the process of policy design and eventually shape the government's behaviour (Tsai & Liu, 2017).

At the micro-level, some scholars attempt to emphasize the role of agents, namely Taiwanese businesspeople (*Taishang*), in shaping the interactions between mainland China and Taiwan. Keng Shu and Gunter Schubert (2006) conducted an in-depth study on Taiwanese businesspeople, arguing

that Taiwan's growing trade dependence on mainland China and the high attractiveness of China's enormous market allow the Beijing government to 'use business to steer politics' (*yishangweizheng*) or 'use economics to promote unification' (*yijingcutong*). However, they also pointed out that the political significance of Taiwanese businesspeople is quite limited, which leads to the low efficacy of Beijing's strategy.

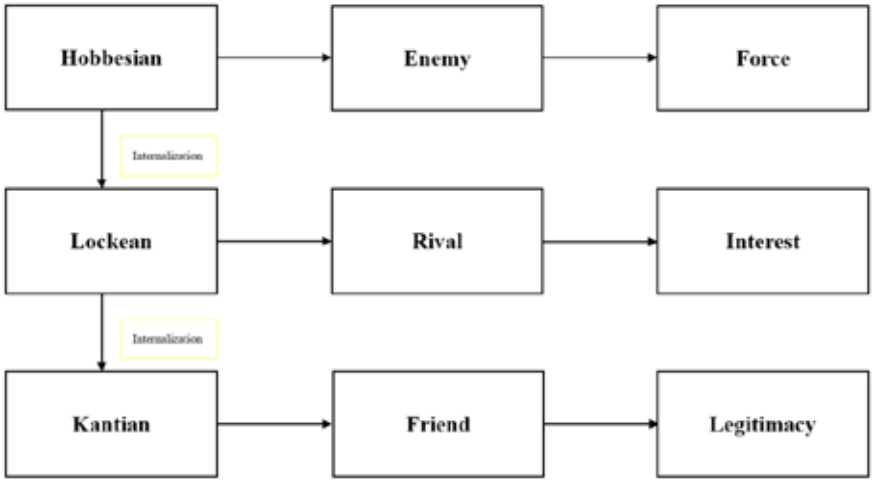
Relying on previous literature review, it is not hard to find that Beijing's similar economic strategy toward Hong Kong and Taiwan is far from its ultimate goal, that is, political integration. However, does the setback in the economic realm mean the complete failure of Beijing's policy toward Hong Kong and Taiwan? More precisely, does the economic integration theory accurately describe the full logic of Beijing's policy? While the economic integration theory provides various insights for researchers to understand the dynamic relations between mainland China, Hong Kong and Taiwan, it merely reflects one of the logics in Beijing's policy design. In other words, economic integration theory only offers one aspect, namely interest, as clarified in this article's argument.

2.2. Social Constructivism: A Theoretical Revision

As discussed above, this article uses social constructivism as an alternative approach for re-examining Beijing–Hong Kong relations and cross-strait relations because economic integration theory merely provides a single dimension, leading to the misjudgement of Beijing's policy. Therefore, the multiple dimensions provided by social constructivism is incorporated to interpret the dynamic relations between mainland China, Hong Kong and Taiwan.

Differing from Kenneth N. Waltz's single logic regarding international politics, in which anarchy is inherently a self-help system that produces military competition, a balance of power and war (Waltz, 1979), Wendt (1994) disagreed that anarchical international politics constructs states and instead argued that anarchy is what states make of it. Wendt (1999: 247) proposed that there are at least three anarchical cultures or structures in international society, namely the Hobbesian, Lockean and Kantian. The constructs on which these structures depend determine the role, that of enemy, rival or friend, that is dominant in the system. Accordingly, Wendt (1999) created three pathways by which the same structure can be produced, as follows: force, price and legitimacy. In other words, relations between political entities mainly depend on the type of identity that they perceive the other to have; these perceived identities may influence the pathways that they use to construct their mutual identity under the three anarchical cultures (i.e. Hobbesian, Lockean and Kantian). The logic of Wendt's social constructivism in understanding the strategic interactions between actors is summarized in Figure 1.

Figure 1 Logic of Wendt's Social Constructivism



Source: Summarized from Wendt's *Social Theory of International Politics* (1999).

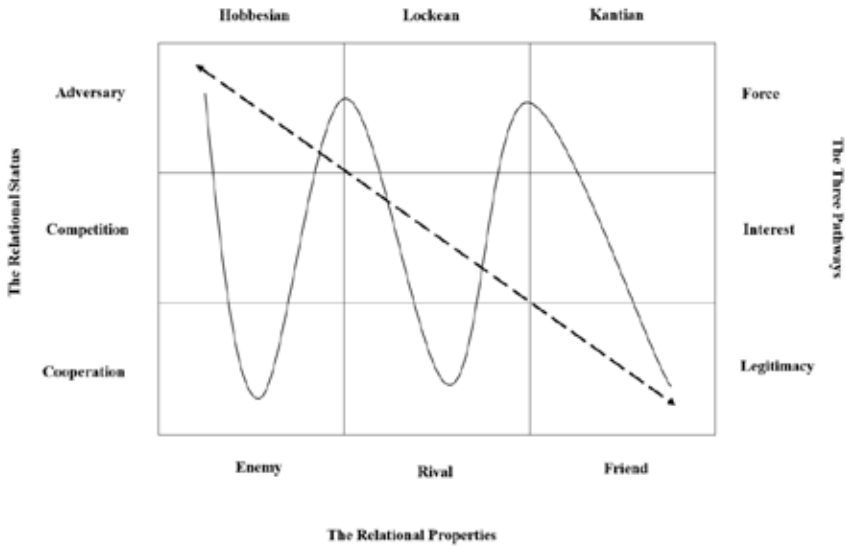
Wendt's (1999) social constructivism is not without problems. Given his assumption that the different cultural structure decides the role and further shapes the behavioural pattern of the actors, he takes the one-on-one linear judgement, which can be summarized as 'Hobbesian (adversary)-enemy–force', 'Lockean (rival)–competition–interest', and 'Kantian (friend)–cooperation–legitimacy'. However, related to the theoretical logic and political reality, such linear judgement has obvious flaws. For example, both enemies and friends exhibit competition and cooperation at the same time. Moreover, even if the two actors perceive themselves as 'friends' to each other, there are still many irreconcilable contradictions that may directly turn their relationship into that of enemies (e.g. the Soviet Union and mainland China in the Cold War period). In light of Hong Kong's case, for example, it is reasonable for the researcher to define Beijing–Hong Kong relations under the Lockean structure, especially when the successful sovereignty transfer occurred in 1997, which means that the force pathway may rarely appear. Nevertheless, this inference is largely beyond political reality because the Beijing government has not given up using force on the 'secessionist power' in Hong Kong society. Likewise, there is a great difference in Beijing's recognition of Kuomintang (KMT; rival) and the Democratic Progress Party (DPP; enemy), which indicates that there should be a mixed strategy for Beijing to deal with the Taiwan problem when different ruling parties come to power. Thus, Wendt's (1999) social constructivism merely explains the nature of relations among actors; the researcher does not elaborate on how these actors may interplay with each

other in specific issues. Based on this understanding, this article attempts to conduct a theoretical revision on Wendt's (1999) categorization by adding two more specific dimensions, namely 'relational properties' and 'relational status'.

Liu Feng (2017), professor of international politics at NanKai University proposed a rigid definition of these two concepts. First, *relational properties* can be defined by the mutual perception of two actors that refers to their different roles, including that of enemy, rival and friend. More precisely, the core interests between enemies are basically irreconcilable, and fundamental conflicts exist in their major strategic interest. For rivals, the core interests are partly reconcilable, and there is no conflict in their major strategic interests. For friends, both the core interests and major strategic interest are reconcilable. Second, the relational status refers to the specific strategies for dealing with bilateral relations between two actors, which includes adversary, competition and cooperation relations. An adversary relation is defined as using conflict as a way of adjusting the difference of core interests, which is a zero-sum game calculation. Competition means that the actors may eventually reach a reconcilable consensus through negotiation and coordination, especially in terms of avoiding conflict caused by violence. Cooperation means that the two actors have formulated a peaceful way of coordinating their difference of interest.

Relying on the relational properties, relational status and three pathways, we can reconstruct Wendt's (1999) constructivist analytical framework as shown in Figure 2 below. This new constructivist framework has several

Figure 2 Revised Logic of Wendt's Social Constructivism



Source: Author (2018).

advantages compared with the traditional view created by Wendt (1999). First, it revises the theoretical logic of traditional constructivism that considers roles and strategic interactions as a linear relation. A more precise and specific curve is provided in the new analytical framework, suggesting that one pathway can cross different relational statuses and properties, while different pathways can be applied simultaneously and compatibly regarding one or more relational properties. For example, in the rival property, relations between actors may produce at least three types of interaction, as follows: rival with adversary (force), rival with coopetition (interest) and friend with cooperation (legitimacy). As such, the force pathway crosses all the cultural structures, relational status and properties.

Second, this new analytical framework is more dynamic because it enriches the possibility of interplay between actors, offering nine interactional models. Related to policy logic, this means that even if confronting one or more relational properties, the Beijing government has more choices for adopting a mixed strategy by combining force, interest and legitimacy, which depends on Beijing's recognition and perception of the political situation in HKSAR and Taiwan. This enables the Beijing government to conduct the divided rules policy by separating the groups in Hong Kong and Taiwan society and defining the different groups as friends (local people), rivals (the capitalist class) and enemies (secessionists).

3. Case Studies: The Hong Kong White Paper and 31 Measures

An examination of the empirical case studies should start by clarifying two definitions. First, although the actor in social constructivism typically denotes the state, its definition in this article is extended to the political entity because Hong Kong and Taiwan each represents a special type of greater Chinese region. Regarding Taiwan, although it is embroiled in a sovereignty struggle with the Chinese government, it can be viewed as a political entity from the perspective of international law. The case of Hong Kong is different because its sovereignty was legally addressed when it was transferred from the United Kingdom to China in 1997. However, because of the 'one country, two systems' formula, Hong Kong has a different political system, which makes it a special administrative region of mainland China. Consequently, it is reasonable to regard the HKSAR as a political entity without sovereignty. Second, because the dynamic relations among mainland China, Hong Kong and Taiwan are based on the competing interaction of sovereignty, territory, and international recognition, the discussion in this article can mainly be classified under the Lockean structure, a culture that views the essence of actors' interactions to sovereignty and territory (Wendt, 1999). This section examines two recent cases to answer the proposed research questions.

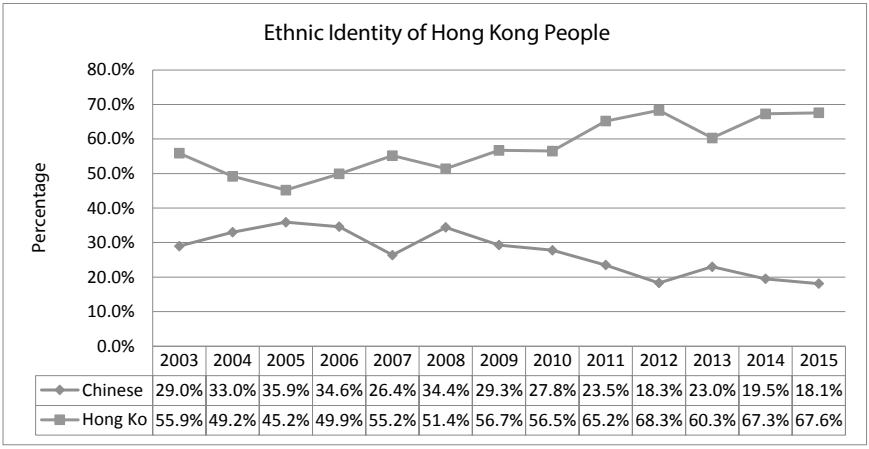
3.1. Beijing's Policy toward Hong Kong: The Hong Kong White Paper as the Turning Point

After the successful transfer of sovereignty in 1997, the Beijing government has generally adhered to the major principle of 'One Country, Two Systems', a formula left by Deng Xiaoping, because the sovereignty issue has been addressed, enabling Hong Kong people to maintain their original political institutions and social structure without intervention from mainland China. The handover of sovereignty indicates that Beijing's concern about secessionism, mainly referring to the Hong Kong Independents (港独), has largely been weakened. Based on this recognition, Beijing's divided rules policy shifts its emphasis on binding the hearts of Hong Kong people by appealing to their economic interest. This calculation is not only helpful for cultivating Hong Kongers' sense of Chinese identity to strengthen the legitimacy of central government in HKSAR, but it may also be beneficial for mainland China's development (Chiu, 2006). The sudden outbreak of SARS in 2003 gave the Beijing government the opportunity to materialize its plan.

Beijing calculated that enacting CEPA would provide substantial support to Hong Kong from the motherland during the sovereignty transition, and in return, garner appreciation for the central government from citizens of the special administration region. From 2004 to 2011, the HKSAR had an average economic growth rate of nearly 5%; this was twofold that of most economies, especially when compared with Taiwan, South Korea and Singapore, which, with the HKSAR, are called the Four Asian Dragons. This growth indicated that support from the Central People's Government not only saved Hong Kong from the SARS crisis but also created economic prosperity for Hong Kongers, with the anticipation that their sense of Chinese identity would increase along with their political trust in the motherland. However, this expectation has not been realized in the 15 years since the CEPA signing.

Beijing's traditional tactics have entailed using the mainland market's substantial profit and interest as economic leverage to bid for Hong Kongers' hearts. More specifically, this economic leverage has mainly been exerted on Hong Kong's business sector, as its leaders are willing to follow directives of the central government so that they can preserve and maximize their profits and interests in the mainland market. These partnerships between the Beijing and Hong Kong business sectors have enabled business elites, who have a direct effect on state sovereignty, to fundamentally change Hong Kong's relations with mainland China (Fong, 2014). Such economic leverage and partnerships are generally called the 'comprador policy' (买办政策). Nevertheless, investing primarily in business elites as a method for intervening in Hong Kong's affairs has not been as effective as China expected; this is demonstrated by the Hong Kong public's decreasing level of

Figure 3. Poll of National Identity in the Hong Kong Special Administration Region



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Chinese	29.0%	33.0%	35.9%	34.6%	26.4%	34.4%	29.3%	27.8%	23.5%	18.3%	23.0%	19.5%	18.1%
Hong Ko	55.9%	49.2%	45.2%	49.9%	55.2%	51.4%	56.7%	56.5%	65.2%	68.3%	60.3%	67.3%	67.6%

Source: HKU POP SITE, 2016. https://www.hkupop.hku.hk/chinese/popexpress/ethnic/eidentity/poll/eid_poll_chart.html

Chinese identity (Figure 3). In the first 4 years of CEPA (2003–2006), their level of Chinese identity increased slightly, from 29.0% to 34.6%, which can reasonably be interpreted as CEPA's partial success in bidding for the hearts of Hong Kongers. However, this level has subsequently begun to decline; in 2015, Chinese identity reached its lowest point (18.1%) since the CEPA signing, whereas the level of Hong Kong identity increased to 67.6%, its second highest level in the same period.

This changing attitude of the Hong Kong public shows that Beijing's comprador policy has not been as successful as anticipated. The primary reason for the policy's low efficacy can be observed from two perspectives. Targeting the business sectors was strategically consistent with Beijing's economic orientation, as China considers Hong Kong's global business networks and status as an international financial centre to be invaluable assets as China continues its efforts to build a more complete market economy (Yep, 2007, 2009); however, the thrust of this policy did not satisfy most Hong Kongers. Nevertheless, businesses are profit seekers, which drives them to maximize their economic profits, even at the cost of ordinary people's interests. In other words, Beijing's comprador policy is an impetus meant to increase profit-maximizing behaviour in business rather than facilitate redistributing unequal profit and income throughout Hong Kong society. For example, with CEPA's endorsement, the mainland and HKSAR governments decided to launch the Individual Visit Scheme, which allowed mainlanders

who had obtained a pass from authorities in select mainland cities to travel to HKSAR on an individual basis. This scheme has resulted in substantially increasing the number of mainlander tourists, which totalled 18 million in 2011, a 26-fold increase compared with 2003. One result is that agents and private hospitals have taken advantage of visiting pregnant women, colluding to dramatically increase medical service fees in Hong Kong, at the expense of Hong Kongers' interests (Lee, 2016).

This economic integration implemented by comprador policy is rejected by some scholars, who regard the process as 'reluctant integration' and 'unwilling mainlandization' (Ping & Kwong, 2014; So, 2010). Worse still, the low efficacy of Beijing's economic interest-driven policy has not only further triggered the increasing intergroup conflicts between Chinese mainlanders and Hong Kongers in recent years (see Table 1), but also generates the space for the 'potential resistant power' to demonstrate their political appeals through

Table 1. Conflicts between Mainland China and Hong Kong since 2010

August 2011	•	A dispute happened between a Hong Konger and Mainlander over a subway seat, and sparked a furious discussion on mainlander's behaviour in Hong Kong.
October 2011	•	A Hong Kong student at City University of Hong Kong publicly announced mainland student as a "dog"
January 2012	•	A Hong Konger blamed a mainland mother for allowing Children eat on the subway.
January 2012	•	A professor of Beijing University called Hong Konger do not speak Putonghua as "British running dog".
September2014	•	Occupying the Central and Umbrella Student Movement, which were considered as Hong Konger's great resistance to Beijing government.
November 2015	•	A FIBA World Cup Qualification Match between mainland China and Hong Kong. The Hong Kongers expressed their dissent by hissing when national anthem was processing. This directly pushes the central government to issue the "law of national anthem".
2016	•	The Mong Kok Riot. The Zhonglianban (中联办) defined the Mong Kok incident as a riot, which triggered the wide-spread dissent in Hong Kong society.

Source: Mingpao, Apple Daily, Dagongbao.

intergroup conflict, which may cause a wide-range resonance in Hong Kong society. For example, during Hong Kong's legislative election in 2012, many candidates deliberately demonstrated their strong 'anti-China' position to express suspicion on the integration between mainland China and Hong Kong, which indicated that the tension and confrontation of Beijing–Hong Kong relations have reached their peak (Ma, Ngok, 2015).

The low efficacy of comprador policy and the rise of Hong Kong identity, together with the resurgence of secessionism, have driven the Beijing government to change its emphasis by reaffirming the central government's authority and legitimacy on the HKSAR. Based on these considerations, the Beijing government issued the Hong Kong White Paper on 10 June 2014. The release of the Hong Kong White Paper immediately triggered a wide range of discussions, both at home and abroad and among all parties from the public to news media and academic scholars. Quick responses from several local newspapers pointed out the insight of this White Paper, suggesting that its newly defined main principles could be considered a turning point for Hong Kong's 'one country, two systems' formula. However, the more accurate articulation is that it is the turning point of Beijing's divided rules policy from the emphasis on interest to reconstructing its legitimacy and restarting its use of force on the resistant power defined by the central government. The White Paper is the first step in this policy transition. In the case of the White Paper, at least two aspects must be considered in understanding Beijing's reconstruction of legitimacy, as described below.

First, Beijing has redefined its conception of 'one country, two systems'. In the Hong Kong White Paper, the central authority reiterates that all Hong Kongers should have a complete and accurate understanding of 'one country, two systems':

> 'One country, two systems' is a holistic concept…. As a unitary state, China's central government has comprehensive jurisdiction over all local administrative regions, including the HKSAR. The high degree of autonomy of the HKSAR is not an inherent power, but one that comes solely from the authorization by the central leadership…. The 'one country' is the premise and basis of the 'two systems', and the 'two systems' is subordinate to and derived from 'one country'. But, the 'two systems' under the 'one country' are not on par with each other. The fact that the mainland, the main body of the country, embraces socialism will not change. With that as the premise, and considering the history of Hong Kong and some other regions, capitalism is allowed to stay on a long-term basis (State Council Information Office of PRC, 2014).

In accordance with its general principles, the Basic Law of the HKSAR never specifically defines the relations between the 'one country' and 'two systems', although it stipulates that Hong Kong is an indispensable part of

the People's Republic of China. The emphasis on the 'one country' as the premise and basis of 'two systems', as well as the subordinate position of the 'two systems', implies that the central authority of Beijing is the sole source of Hong Kong's administrative power and the only legitimacy of the 'one country, two systems' formula. Reconstituting its legitimacy by redefining relations between the one country and two systems, the central government legitimatizes its behaviour in manipulating Beijing–Hong Kong relations. After the Hong Kong White Paper, the central government proposed the '8•31 Decision' (8•31决议) to block universal suffrage in Hong Kong's election; this directly caused the Occupying Centre and Umbrella Movement.

Second, apart from the redefinition of 'One Country, Two Systems' formula, the Beijing government attempts to address the identity issue in Hong Kong society, which is the major source of the central government's legitimacy. The former approach to building Chinese identity entailed conducting patriotic education in the HKSAR, a step similar to that taken in mainland China in the post-1989 era when the Chinese government launched a national patriotic education campaign to cultivate the strong nationalistic sentiment required to supplement its legitimacy (Shirk, 2008; Zhao, 2005). However, the HKSAR project suffered a significant setback in 2012, when there were large-scale demonstrations resisting 'brain-washing education'. When Xi Jin-Ping came to power, he proposed his China Dream to realize a great rejuvenation of the Chinese nation, attempting to unite mainland China, Hong Kong, Macau, Taiwan, Singapore and other overseas Chinese communities. The Chinese nation is a supranational concept, emphasizing that Chinese people, regardless of their region, share a common interest, identity and destiny, and thus, that all Chinese can participate in a community with a common future (命运共同体), striving for the great rejuvenation of their nation in the contemporary world. In this manner, the final two master variables (common fate and homogeneity) are generated in Beijing–Hong Kong relations as the confrontation between mainland and Hong Kong identities is resolved under the concept of the Chinese nation (中华民族), and the Hong Kong identity is homogenized into the Chinese nation as an inalienable part of pursuing the great national rejuvenation. Specifically, the future of rejuvenation becomes the common fate shared by mainlanders and Hong Kongers, as stated in the White Paper:

> Firmly advancing the cause of 'one country, two systems' is the common wish of all the Chinese people, the Hong Kong compatriots included, and is in the fundamental interests of the country and people, the general and long-term interests of Hong Kong, and the interests of foreign investors…. Now, people all over the country are working hard with full confidence

> towards the 'two centenary goals' … strong, democratic, culturally advanced and harmonious when the PRC marks its centenary in 2049, as well as the Chinese dream of the great rejuvenation of the Chinese nation (State Council Information Office of PRC, 2014).

More importantly, the Beijing government seeks to restart the 'force' to suppress the resistant power in the HKSAR. While the Occupying Centre and Umbrella Movement were ended by the HKSAR government, the central government's redefinition of the 'One Country, Two Systems' formula still triggers potential resistance, such as among prodemocracy activists, nativists and Hong Kong independents. In line with Beijing's divided rules policy, the force is designed to deter potential secessionists. For example, a strong pro-localist/independent party, called YouthSpiration (青年新政), was founded by two young leaders, Sixtus Leung (梁天琦) and Yau Wai-ching (游蕙桢), after the Umbrella Movement. Leung and Yau's political appeals for rebuilding Hong Kong's identity and self-determination of its destiny are regarded by the Beijing government as radical localism (激进本土主义), aiming at promoting Hong Kong's independence from mainland China (*South China Morning Post*, 2016). In this sense, the central government exerts force on this resistant power by proposing the fifth interpretation of the National People's Congress of the Basic Law (第五次人大释法). In the Hong Kong legislative election in 2016, while Leung and Yau were successfully elected, they were quickly disqualified because of their radical and non-rational behaviours during the oath taking, which triggered a wide-ranging, furious controversy in both mainland China and Hong Kong.

Beijing's assertive posture toward the resistant power in Hong Kong society reflects its determination to conduct a divided policy. On one hand, by reaffirming the definition of the 'One Country, Two Systems' formula, the Beijing government has managed to reconstruct its absolute authority over the HKSAR. On the other hand, Beijing has used judicial force to supress the rise of radical localism and nativism. Moreover, a new economic interest policy, called the Guangdong–Hong Kong–Macau Greater Bay Area (粤港澳大湾区; hereafter, Greater Bay Area), is simultaneously being processed. Differing from the traditional comprador policy targeting the business elites, the Greater Bay Area project, signed in 2017 in Hong Kong, put much more emphasis on the 'people-to-people' benefit, which provides Hong Kong people with attractive human resource policy, job opportunities, easier promotions and higher salaries. Regardless of the actual efficacy of the Greater Bay Area project, Beijing's changing economic interest policy toward local people, especially the young generation, reflects its introspection on traditional policy. This new economic policy, together with the Hong Kong White Paper and use of force on resistant power, constitute Beijing's new divided policy toward Hong Kong.

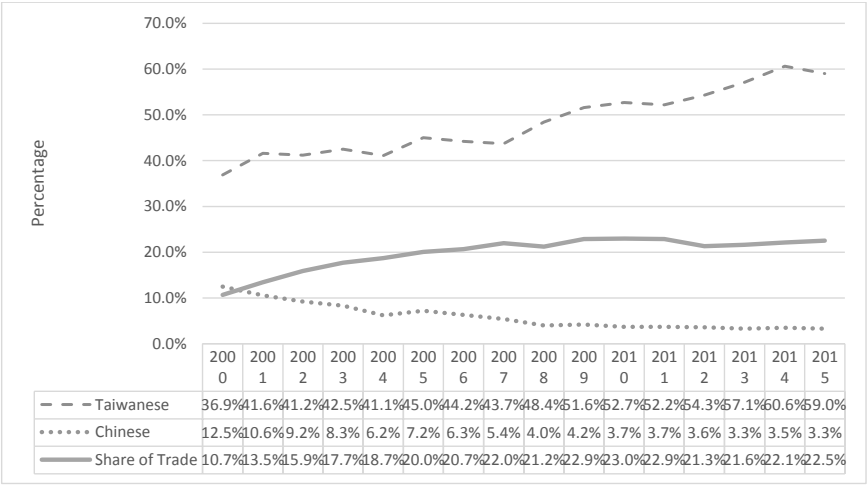
3.2. Beijing's Policy toward Taiwan: The 31 Measures as a Turning Point

The Chinese mainland's 31 Measures for Taiwan demonstrates a stronger case to elaborate on how Beijing's 'divided rules' policy works in the realpolitik. In the past few decades from the end of the military conflict in 1979, cross-strait relations have entered a relatively peaceful period, with deepening socioeconomic cooperation. However, the relief of military confrontation between mainland China and Taiwan does not mean that the Beijing government decides to abandon the use of force. More precisely, in Beijing's divided rules policy toward Taiwan, force is set as the last option, as well as the bottom line for achieving the ultimate unification, which depends on whether the Taipei government has a strong pro-independence stance. For instance, when both Lee Teng-hui's (李登辉) visit to Cornell University in 1995 and Taiwanese first presidential election in 1996 increased the possibility of Taiwan's *de facto* independence, the Beijing government immediately launched live ammunition manoeuvres to deter Taiwan's domestic pro-independence power, which directly triggered the 1995–1996 Taiwan Strait Crisis (Scobell, 2013; Yu, 1999). Likewise, to prevent Chen Shui-bian's (陈水扁) radical pro-independent actions during his second term, the Beijing government duly issued the 'Anti-Secession Law'(反分裂国家法) in 2005, aiming at strengthening the deterrence of the 'stick policy' (Zhao, 2006). All these signs illustrates Beijing's determination on using military force, if necessary, to resolve the Taiwan problem.

Although military action was designed to deter Taiwan's pro-independents, the Beijing government also realized that such aggressive behaviour is not conducive to earning the trust of the Taiwanese people. Meanwhile, the Anti-secession Law already drew the red line that would cause Beijing's military action. Based on these considerations, the Beijing government has transferred the emphasis of the divided rules policy from force-based to interest-driven. Similar to the economic policy towards Hong Kong, Beijing has adopted a comprador policy in Taiwan, using economic leverage over Taiwan's business sector as a long-term strategy for manipulating cross-strait relations. By using special provisions to control Taiwan's profits and interests in the mainland market, Beijing renders the elites of Taiwan's business sector as spokespersons who can influence and intervene in Taiwan's internal affairs (Chen, 2016).

China's political intention with Hong Kong and the lessons drawn from their interactions since 1997, however, should indicate that implementing a comprador policy in Taiwanese society will not be as effective as Beijing anticipates; this is reflected by the continually low levels of Chinese identity among the Taiwanese. As shown in Figure 4, cross-strait trade was 22.5% in 2015, representing a more than twofold increase since 2000 (10.6%). According to the neoliberalist perspective, this economic integration should

Figure 4. Change in Taiwanese National Identity



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taiwanese	36.9%	41.6%	41.2%	42.5%	41.1%	45.0%	44.2%	43.7%	48.4%	51.6%	52.7%	52.2%	54.3%	57.1%	60.6%	59.0%
Chinese	12.5%	10.6%	9.2%	8.3%	6.2%	7.2%	6.3%	5.4%	4.0%	4.2%	3.7%	3.7%	3.6%	3.3%	3.5%	3.3%
Share of Trade	10.7%	13.5%	15.9%	17.7%	18.7%	20.0%	20.7%	22.0%	21.2%	22.9%	23.0%	22.9%	21.3%	21.6%	22.1%	22.5%

Sources: Election Studies Center, National Cheng-Chi University (http://esc.nccu.edu.tw/course/news.php?Sn=166); Mainland Affair Council, ROC (http://www.mac.gov.tw/public/MMO/MAC/272_2.pdf).

have a spillover effect into other areas (e.g. national identity or politics); these cooperative and profitable economic relations should translate into an increase in Chinese identity. However, during the economic integration of 2000–2015, the sense of Chinese identity among the Taiwanese remained low, from 12.5% in 2000 to a low of 3.3% in 2015. Accordingly, over half the respondents (59%) maintained that they had only a Taiwanese identity. The upsurge in Taiwanese identity in this period implies that Beijing's economic approach to winning the support and trust of the Taiwanese people suffered a large setback and that the comprador policy serves instead as a clear reflection of Beijing's political intention, which has triggered a rise in Taiwanese identity and enhanced their regional consciousness.

This deeper cooperation and communication between mainland China and Taiwan has strengthened the anti-China movement on the island, especially during the post-ECFA period (Table 2), because an increasing number of business sectors are considered to be 'puppets' under the control of a 'Chinese factor' (Niou, 2008). To preserve profitable commerce with the mainland market, businesses follow Beijing's instructions and influence Taiwan's internal affairs at the cost of the people's interests. For example, the Eslite chain of bookstores, one of the most powerful chain stores in Taiwan, has refused to sell *Assassination of the Buddha*, which was written by the exiled writer Yuan Hong-Bing (袁红冰). This action is related to Eslite's new plan

Table 2. Conflicts on Both Sides During the Post-ECFA Period

Time	The Conflicts Happened in the Post-ECFA Period
2012	• Anti-Media Monopoly Movement. People gathered around to resist the Tsai Eng-ming's plan to pursue Next Media, preventing Chinese government from controlling the freedom of speech in Taiwan.
2013	• The Taiwanese singer, Deserts Chang, showed the national flag of ROC in her concert in London, which caused a fierce debate among the oversea students from mainland China and Taiwan
2014	• The Sunflower Movement to resist the Service and Trade Pact along with the ECFA.
2016	• The "Chou Tzu-yu incident".

Source: BBC News, *Taipei Times*, *Liberty Times*.

to expand into the mainland market, where the newest and largest branch of the bookstore will open in Shanghai. Consequently, Beijing's intention for using interest to internalize cross-strait relations fails to generate an ideal relationship with Taiwan, which would be one that fosters political trust among the Taiwanese people.

Given the similar frustration with Hong Kong's case, accompanied with the pessimistic prospect of the KMT's county, city and presidential election, which may release the space for a pro-independence party, the DPP, to come to power again, the Beijing government has begun to adjust the emphasis of the divided rules policy. In other words, it is urgent for the Beijing government to legitimize the peaceful and deepening cross-strait relations created by the CCP and KMT, avoiding the DPP emerging to break the *status quo*. This transition was foreshadowed in the meeting of Xi and Ma in 2015. Functionalists, mainly referring to economic integration theory, may argue that the Ma–Xi meeting was the result of long-term economic integration across the Taiwan Strait, with both sides needing to deepen the interaction to offer a more comprehensive cross-strait common market. However, deliberate timing appeared to factor into this meeting; because the KMT had lost decisively in the Nine in One local elections in 2014 and was likely to lose control of the presidency in 2016, Beijing's purpose behind the meeting was likely to

legitimize the *status quo* in cross-strait relations (i.e. maintaining the KMT as the ruling party) based on the 1992 Consensus. President Xi Jin-Ping made the following statement in his opening remarks:

> People on both sides of the Taiwan Strait should make the right choice, which can be testified by the history, that is, deepening the interaction between mainland China and Taiwan based on the 1992 Consensus…. In this way, the Chinese people on both sides have the wisdom and capability to deal with our problems (Xi, 2015).

To make the 1992 Consensus more acceptable to the Taipei government, the Chinese government had to reinterpret the definition of the 'one China' principle. From Jiang Ze-Min's eight-point formula (江八点) to Hu Jin-Tao's six principles (胡六条) and Xi Jin-Ping's China Dream, Chinese officials defined the 'One China' principle in a manner that avoided mentioning the 'sole legal government'. This meant that the 'one China' framework had been enlarged during their interactions and China was neither the People's Republic of China (PRC) nor the Republic of China (i.e. Taiwan) but had become a broader entity called 'greater China' (Li, 2014). In his statement at the meeting, Ma Ying-Jeou revealed that this reinterpretation had been positively received by the Taipei government:

> The content of the 1992 Consensus is one China with a different interpretation … the meeting between the top leaders of both sides creates a peaceful regime for the settlement of disputes, which should be consolidated and normalised (Ma Ying-jeou, 2015).

Accordingly, President Xi and his advisors have also attempted to reconstruct Chinese national identity, aiming at remediating the widespread 'anti-China' sentiment in Taiwanese society. This is proved by his actions. For example, before the formal meeting with Ma Ying-Jeou, President Xi first proposed that 'the Anti-Japanese War is the common historical memory shared by people on both sides. It is thus necessary to promote the sharing of historical material, writing historical books, and safeguarding national dignity altogether' (Zhao, 2015). This statement indicates that the leaders in mainland China intend to create a cross-strait-based consciousness, a supranational identity that is not divided into Chinese or Taiwanese, but instead, offers a common future in which Taiwan and mainland China are tightly bonded as the Chinese nation. Therefore, the homogeneity is produced in a newly imagined community constituted by ethnic Chineseness (Anderson, 2006). In the Xi–Ma meeting, President Xi Jin-Ping emphasized this common destiny:

> The power of compatriots on both sides breaks through the military blockade…. There is nothing that can separate the relations of people between mainland China and Taiwan because we are family as closely

> linked as flesh and blood, who have the common fate of striving for the great rejuvenation of the Chinese nation (Xi, 2015).

By involving the Taiwanese people in the task of the great rejuvenation of the Chinese nation, Xi's government intends to create a common fate in formulating a collective identity. However, this change of emphasis on legitimacy in the divided rules policy does not mean that Beijing has discarded the use of military force and economic interest. The divided rules policy became increasingly apparent when Tsai Ing-wen and her DPP won both the presidential and local elections. Although Tsai claimed that she acknowledged the historical fact of the meeting in 1992 and promised not to independently change the *status quo* of cross-strait relations, the Taiwan Affairs Office of State Council asserted that Tsai's inaugural speech was an 'Unfinished Answer' (Taiwan Affairs Office, 2016), indicating a 'rocky start' between the CCP and DPP.

Worse still, with the Sino-U.S. relations entering an era of high power competition after U.S. President Donald Trump defined mainland China as a revisionist power in his first National Security Strategy Report in 2017, the Taiwan problem is widely regarded as a strategic card for containing mainland China's rise. For example, during his elected term, Trump first broke the unspoken rule in Sino-U.S. relations to have direct 'hotline' with Tsai Ing-wen, and then asserted that the Washington government would not acknowledge the 'One China Policy' until the economic and trade issues between the United States and China were addressed (Bohan & Brunnstorm, 2016). In addition, to match his trade war with mainland China, Trump's government intentionally upgraded security with Taiwan by reappraising the possibility of berthing U.S. warships there and approving the Taiwan Travel Act. In this sense, the Washington government apparently links the Taiwan problem with trade issues as a bargaining chip, which may give space for Tsai's government to realize the *de facto* independence (Ye, 2018). While confronting the growing military relations between the United States and Taiwan, the Chinese government has demonstrated its determination to use force. In terms of military deterrence, the People's Liberation Army (PLA) conducted a rare live firing drill around the Taiwan Strait on 12 April 2016, targeted at deterring the pro-independence forces in Taiwan society, as commented by the *Global Times*. After the military exercise, Beijing continued to show its muscle by sending the Aircraft Carrier Liaoning to move around Taiwan Island, with an increasing frequency of aircraft missions detected in the Taiwan Strait. All these responses demonstrate Beijing's strong will to deter Taiwan's pro-independence faction through the force pathway. In terms of Taiwan's foreign relations, the Beijing government has strengthened the pressure on Taiwan's international space by blocking Taiwan from

attending the World Health Assembly (WHA), International Civil Aviation Organization (ICAO), and ending five of Taiwan's diplomatic alliances within two years.

Although cross-strait relations have entered a 'cold peace' at the political level since Tsai Ing-wen chose not to directly acknowledge the 'One China Principle', the Beijing government has not given up the pathways of economic interest and legitimacy. Realizing the low efficacy of the comprador policy, the Beijing government has adjusted the target from the capitalist class and business elites to the local Taiwanese people, thereby leading to the introduction of the 31 Measures. The 31 Measures, released on February 28, 2018, constitute two major parts (Taiwan Affairs Office, 2018). At the economic cooperation level, the 31 Measures not only provide Taiwanese enterprises with an attractive offer, involving 15% tax reduction and other related tax incentive policy, but it also expands its scope to cover Taiwanese people who work in universities and research institutes, which enables Taiwanese experts to apply for the national fund project supported by the Chinese government. At the people-to-people level, the Beijing government enhance the strength of support, ranging from education and cultural exchange to professional qualification certificates, for Taiwanese people who intend to study, start a business, or obtain employment in mainland China.

The 31 Measures is widely considered Beijing's intentional policy targeting ordinary Taiwanese people. Consider Taiwanese scholars, for example: The saturation of Taiwan's university market makes it hard for young scholars to find a stable job in universities, and the 31 Measures give these young people the chance to pursue their profession in universities and research institutes. As such, the universities in mainland China also exert a high attraction to Taiwanese students, because the ranks of these universities have been rapidly climbing in recent years to achieve the top 100 in the global ranking system. According to a survey conducted by *Global Views Monthly* (远见杂志), the percentage of pro-independence support has declined from 36.8% (2014) to 26% (2018). In addition, after the introduction of the 31 Measures, the positive attitude toward mainland China among the young generation recovered to 40%; nearly 60% of Taiwanese young people are willing to go 'westward' to mainland China (*China Times*, 2018).

In general, the 31 Measures aims at binding Taiwanese people's hearts and winning their trust; this, together with the Beijing government's strong determination to use military force for deterring the pro-independent power in Taiwan society, constitutes the latest divided rules policy toward Taiwan, which is also officially described as follows: 'the soft parts are much softer, but the hard parts are much harder' (软的更软，硬的更硬). Beijing's official statement provides robust support to the logic of the divided rules policy.

4. Conclusion

Although there are significant differences in Hong Kong's and Taiwan's historical processes, these two special regions have been growing more similar because of their inevitable interactions with mainland China, a rapidly rising great power in international politics. To understand the dynamic changes in the relationships between mainland China, Hong Kong and Taiwan, the economic integration theory, mainly derived from neofunctionalism, asserts that the Beijing government intentionally uses economic interest as leverage to realize the anticipated political integration. Despite the valuable insights provided by the economic integration theory, political realities occurring in Hong Kong and Taiwan prove the low efficacy of Beijing's traditional comprador policy and insufficient explanatory power of the theory. Based on this understanding, this article argues that Beijing's policy toward Hong Kong and Taiwan cannot be merely interpreted from the economic perspective. Rather, Beijing's policy is a mixed strategy, labelled the 'divided rules policy', consisting of the three dimensions of force, interest and legitimacy. To explain the logic of Beijing's divided rules policy, this article borrows and conducts a theoretical revision of Alexander Wendt's social constructivism to formulate a new analytical framework.

Differing from the linear relations, like 'Hobbesian (adversary)-enemy-force', offered by traditional social constructivism, the new analytical framework presents a more precise curve in demonstrating the strategic interactions of actors in specific issues, which is highly relevant to the cases of Beijing, Hong Kong and Taiwan. More specifically, the new analytical framework indicates that there are three dimensions – force, interest and legitimacy – existing in Beijing's divided rules policy, in which the force aims at deterring secessionists, the economic interest is designed for binding the hearts of local people in Hong Kong and Taiwan, and the legitimacy involves maintaining Beijing's authority in these two regions. These three dimensions work simultaneously and compatibly, with different emphases in different periods, depending on Beijing's assessment and judgement on the specific political situation. To elaborate on the logic of Beijing's divided rules policy, this article identifies two critical turning points that occurred in Hong Kong and Taiwan, namely the Hong Kong White Paper and 31 Measures, respectively, as case studies.

In Hong Kong's case, after the Hong Kong White Paper, Beijing has not only restored its authority in the HKSAR but also enhanced the strength of using force to deter secessionist power by proposing the fifth interpretation of the Basic Law and disqualifying many pro-independence candidates from legislative elections. Moreover, the Beijing government has also delivered the Guangdong–Hong Kong–Macau Greater Bay Area project as

a more comprehensive economic interest, mainly targeting Hong Kong's ordinary people. This project, together with the White Paper and the fifth interpretation of Basic Law, constitutes Beijing's new divided rules policy. Beijing's policy toward Taiwan provides a stronger case in elaborating the logic of the divided rules policy. For the pro-independence power, the Beijing government has strengthened the deterrence by military force, showing its determination to solve the Taiwan problem through martial unification. For the ordinary people, Beijing has increased the mainland's attraction via the 31 Measures, which directly benefit the Taiwanese people, especially in the young generation. The 31 Measures, accompanied by the Xi–Ma historical meeting and willingness to use military force, have become Beijing's latest divided rules policy toward Taiwan.

In general, this article suggests that the full picture of Beijing's policy should be analysed from three dimensions, rather than merely focussing on the economic perspective. Meanwhile, an important element that cannot be neglected is the connected effect of Beijing's policy. For example, after the Hong Kong White Paper and 31 Measures, the Chinese government issued a special certificate called 'Residence Permit for Hong Kong, Macau and Taiwan Residents' (港澳台居民居住证) to make it more convenient for Hong Kongers and Taiwanese to develop their careers in mainland China. In this sense, a foreseeable future is that the relations between Beijing, Hong Kong and Taiwan will be increasingly tighter than before, because of the much stronger magnetic effect produced by Beijing's new divided rules policy on Hong Kong and Taiwan.

Note

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