

The 44th MAC Advisory Committee Meeting: Highlights of Discussion by Advisory Members*

News Reference Material

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The Mainland Affairs Council (MAC) recently held the 44th Advisory Committee Meeting on the topic of "Observations on the 'Two Sessions' of the Chinese Communist Party." Key statements and discussion points of the participating committee members are as follows:

1. The introductory report presented by the scholars indicated that this year's "Two Sessions" (National People's Congress and Chinese People's Political Consultative Congress) of the Chinese Communist Party (CCP) coincided with the year of leadership changes; therefore, the Government Work Report presented policy objectives for this year in the form of "suggestions," calling for stabilizing growth, expanding domestic demand, attracting and utilizing foreign capital, supporting private enterprises, and preventing systemic risks. The State Council personnel appointments reflect a pattern of "new leaders, old staff," with all leadership positions at or above the rank of State Councilor replaced and most of the ministry and commission heads remaining in office. The "Institutional Reform of the Party and State" outlines work on restructuring and establishing relevant committees, ministries, and bureaus to deal with major internal issues related to financial risks, technological innovation, digital development, governance of the society, and security.

*The MAC Advisory Committee Meeting is formed by experts and scholars in related fields. The views and opinions expressed in the meetings or excerpted in this article belong solely to the speakers.

2. Some participating members analyzed that, judging from the skyrocketed budget for the broadly-defined "security" areas such as foreign affairs, military, and maintaining stability (i.e. weiwen) and the fact that mainland China is moving towards a "strong-party-weak-state" system with its institutional reforms, it is clear that the CCP is hoping that more power centralization would help address the challenges from domestic and international volatility. Some scholars observed that several phenomena in mainland China, including the sharp decline in real estate market value, high youth unemployment rate, huge local debt burden, limited momentum for domestic consumption, foreign capital flight, and lack of consumer confidence could complicate the authorities' efforts to achieve the 5% GDP growth target this year. Some members pointed out that the high youth unemployment rate has prompted more Taiwanese students in mainland China to return to Taiwan. However, given the CCP's urgent need to restructure its red supply chain and counter international sanctions, cross-Strait competition for talent may further intensify. As a result, the scholars suggested that the government seize this opportunity to attract more talent back to Taiwan.

3. Some scholars stated that, during the "Two Sessions," the CCP adopted mild language on Taiwan and pledged to strengthen cross-Strait exchanges and integration to accelerate unification. This indicates that going forward, the CCP will continue to target specific groups in Taiwan to promote "integration and unification." Furthermore, participating members highlighted that the CCP's united front work centers on "removing differences" instead of "seeking common ground." They also stressed that the CCP's united front work is based on the "Overall Strategy on Taiwan" and "One Country, Two Systems Model for Taiwan," so the authorities are expected to consolidate the legal framework through legislation by the National People's Congress. In addition, the scholars pointed out that since the CCP's new leadership on Taiwan are generally familiar with foreign and Taiwan affairs, our government should closely monitor the

- situation and make responses prudently. Furthermore, the establishment of the “Hong Kong and Macao Work Office of the CCP Central Committee” might further strengthen the governance power of the CCP central government under the “one country, two systems” and become the top-level design for a “complete unification.”
4. Some members suggested that the cooling of cross-Strait tensions might create an opportunity for more mainland Chinese tourists to visit Taiwan and more Taiwanese agricultural and fishery products to be exported to mainland China. However, other members warned that, despite easing tensions, the CCP’s two-faced “peace and war” strategy against Taiwan remain in place, hence the People’s Liberation Army’s continuous fighter jet incursions to protest against Taiwan-US cooperation and foreign dignitaries’ visits to Taiwan. Moreover, given the fact that the CCP’s united front work has decoupled from its other military and diplomatic actions and is unlikely to stop due to a cross-Strait détente, it seems that the CCP’s overall policy direction to “oppose independence and promote unification” will remain unchanged. Therefore, the scholars cautioned the government against lowering its guard.
 5. Minister Chiu stated at the meeting that mainland China had previously imposed unilateral and politically-motivated sanctions on mainland Chinese tour groups and individual tourists visiting Taiwan. However, Taiwan remains committed to our advocacy of cross-Strait exchanges that are “healthy, orderly, reciprocal, mutually beneficial, rational, equal, and mutually respectful.” We will also duly assess the development of the cross-Strait situation and the people’s rights, interests, and needs to safeguard Taiwan’s best interests. Minister Chiu also emphasized that the CCP’s recent policies and moves towards domestic or external issues are all aimed at enhancing its ability to resist pressure, maintain stability, and prevent risks. Meanwhile, given that the CCP’s carrot-and-stick tactics against Taiwan will not soften, Taiwan will surely be faced with

increasingly serious challenges and risks. Our government will continue to keep a close eye on the situation, conduct research and analysis, and make appropriate responses accordingly.