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Research Report

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Great Expectations for Cross-Strait Relations

Ma Ying-jeou wins presidential elections

Sebastian Bersick / Gudrun Wacker

In January 2008, Taiwan's opposition party Kuomintang (KMT) won a two-thirds majority in the elections for the Legislative Yuan, the parliament in Taiwan. On March 22, the candidate of this party, Ma Ying-jeou, was elected president of Taiwan by a margin of almost 20 per cent. There is widespread hope that his inauguration on 20 May 2008 will be the beginning of a phase of improved relations with mainland China. It will not be easy for Ma, however, to fulfil the manifold and often contradictory expectations—of the Taiwanese population, his own party, Beijing and important international partners. He will only be able to make progress in the short run if Beijing is willing to use this window of opportunity for improving cross-Strait relations by reaching out to the new government.

On 22 March 2008, KMT candidate Ma Ying-jeou (57) won the presidential election in Taiwan by a wide margin of about 2.2 million votes against his competitor, Frank Hsieh (61), of the Democratic Progressive Party (DPP). Ma received 58.45 per cent of the votes, Hsieh only 41.55 per cent. The turnout of 76.33 per cent remained below expectations. (During the last two presidential elections, turn-out was slightly over 80 per cent.) Traditionally, the DPP has more support in the south of Taiwan. However, Hsieh even lost in the southern city of Gaoxiong, a DPP stronghold where he held the position of mayor until early 2005.

Both referenda—which were held simultaneously with the presidential elections

and put forward the question of Taiwan's accession to the United Nations (UN)—failed to reach the necessary quorum of 50 per cent, or 8.5 million voters: Only about 36 per cent of the eligible voters cast their vote for the referendum of the DPP and for that of the KMT. Both referenda therefore failed. Among the 36 per cent that cast their vote at all, the DPP referendum (which advocated accession to the UN under the name of "Taiwan") received an approval rate of 94 per cent, whereas the KMT referendum (re-entry to the UN under whatever name) received 87 per cent.

The campaign and its major topics

In comparison to the incumbent president, Chen Shui-bian (DPP), both presidential candidates stand for a moderate approach with respect to relations with mainland China. Ma proclaimed the “three nos” (no to independence, to re-unification and to the use of force) and announced a series of state-funded investment projects. The DPP promised tax cuts and, apart from that, led a campaign that questioned the character and leadership capability of the KMT candidate. In light of the strong majority the KMT had won in the parliamentary elections, the DPP presented their own candidate, Hsieh, as the last bastion and guardian against an authoritarian regime and a fall-back into the one-party rule the KMT had exercised until the 1980s before the democratisation of Taiwan.

Moreover, the DPP’s campaign strategy focussed on the issue of a separate Taiwanese identity and, closely linked to this issue, the independence of the island. This strategy failed especially to convince young voters. They have learnt to take their Taiwanese identity for granted. At the same time, they don’t want to cast their vote for a party which advocates—like the DPP has done in the past—independence for Taiwan, thereby straining relations with China. They do not see the KMT as the “Party of the mainlanders” anymore (as suggested by the DPP). Rather, they see it as a Taiwanese party that can be entrusted with advancing Taiwan’s interests even vis-à-vis Beijing.

Thus, the DPP has in a way become a victim of its own success: It was the government under Chen Shui-bian, which over the last eight years made Taiwan’s autonomy the core of their policy. The KMT, in contrast, does not categorically exclude re-unification with mainland China in the long run. The claim of sovereignty of Taiwan and the wish for an international role that is not determined by China is supported by the majority of the Taiwanese population.

The main interest of the voters was focussed on economic development. The

low growth rates of the Taiwanese economy, if compared to other countries in East Asia, and stagnating wages make stronger economic links with China vital from the perspective of the majority of voters. Even the latest developments in Tibet did nothing to change this. The KMT had feared that due to unrest in Tibet, their proposal for a “Common Market” in the Taiwan Strait would be criticised as too China-friendly by the people. The DPP called the concept a “Trojan Horse” (“Ma” means horse), and Frank Hsieh warned that today’s Tibet could be Taiwan’s tomorrow. However, this interpretation obviously was not convincing for the voters. In order to avoid the impression of being too close to the mainland, Ma made a clear and critical statement on the events in Tibet in the last week of the campaign and even mentioned the possibility of a boycott of the Olympic Games by the Taiwanese team.

Challenges for Ma

The clear margin of victory of the president-elect might look very comfortable, but Ma Ying-jeou will have to deal with high and partially contradictory expectations, with which he will have to strike the right balance. The biggest challenge for him will be most likely to enter into negotiations with Beijing without raising suspicions of the opposition or the population that Taiwan is being “betrayed” or “sold” to the mainland. The pressure on Ma will be particularly strong due to the stagnation and lack of progress in relations with China over the last years, which has been personally attributed to Chen Shui-bian. Therefore, practically everybody expects that now, with Chen leaving the political scene, there will be a qualitative “leap forward” between Beijing and Taipei.

In the short run, Ma and his party would like to establish direct links with the mainland (the so-called three links), bring about an enhancement in economic relations (investment, cargo) and allow a marked increase in the number of Chinese tourists

coming to Taiwan (from about 230,000 in 2007 to 3,000 a day: a fourfold increase). Over the longer run, their aim is to stabilise relations with China by creating a Common Market and by achieving a peace agreement.

Ma promised during his campaign that he will launch talks with the Chinese side as early as July 2008 in the hope of establishing direct air and shipping links by July 2009. Charter flights which have already been conducted on special occasions in the past could soon take place on a weekly basis. In addition to this, Ma would also like to establish first Confidence-Building Measures between the two sides.

One central question is which institutions will actually negotiate for both sides. In the past, Taipei and Beijing communicated through two “semi-official” institutions: Straits Exchange Foundation (SEF) and Association for Relations Across the Taiwan Straits (ARATS). Due to the standstill during the two presidential terms of Chen Shui-bian, the two institutions had nothing substantial to discuss.

During the last three years, contacts were established between the two parties, that is, the Communist Party of China and the KMT. Former party chairman and presidential candidate of the KMT in 2004, Lien Chan, and other KMT politicians travelled to mainland China and held talks. Lien belongs to the “old guard” of the KMT. In 2005 he and the Chinese party chairman and President Hu Jintao signed a document which refers to the “1992 consensus” as a basis for talks between the two sides. This consensus can be described with the formula “one China, different interpretations.”

If the talks and negotiations between China and Taiwan take place between the two parties in the future, they could easily raise suspicion among the people in Taiwan for being non-transparent. Talks on the government level will, due to the conflicting claims of sovereignty, hardly be possible for the time being. Therefore, Ma’s announcement after his election to re-

vitalise the SEF-ARATS channel could be feasible. Lien Chan was named as one likely candidate for chairing the SEF. His appointment would have been proof of a strong influence of the “old” KMT. However, Ma has announced that the position will be filled by a Taiwanese (i.e., a person not born on the mainland).

It would be recommendable for Ma Ying-jeou to strive for the restoration of a broad consensus within Taiwan. He could do this, for example, by including in his government some politicians without party affiliation or members of the opposition.

Failure of the referenda

According to opinion polls, about 80 per cent of the Taiwanese population support UN membership for Taiwan. Every year since 1993, Taiwan has applied for (re-) admission to the UN under its official name of “Republic of China.” In light of this, it was really not necessary to hold one referendum on this issue—not to mention two.

Not only China, but also the United States and the European Union had expressed their concerns early on, especially regarding the DPP referendum, because they saw it as an unnecessary provocation of Beijing and as challenging the status quo in the Straits. With the DPP version of the referendum, President Chen Shui-bian had tried to mobilise voters and win their support for his party. At the same time, he had put pressure on the KMT to respond by tabling its own version. In view of the broad support for UN membership among the people in Taiwan, the KMT could simply not afford to be seen as indifferent or even negative to the question of more international space and recognition for Taiwan.

The crucial factor for the failure of both referenda was the fact that, in the end, neither Ma Ying-jeou nor Frank Hsieh were campaigning hard for the respective version offered by their own parties. This was also a reaction to the criticism coming from China and from international actors, foremost the United States. Scrapping the

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referenda, however, was no longer possible once the formal procedure had been set in motion.

However, the fact that neither referendum reached the minimum threshold of 50 per cent of all eligible voters to become valid could have grave implications:

First, since the introduction of the legal means to hold a referendum in 2004, none of the six referenda submitted so far have been able to reach the 50 per cent threshold. In this way, the referendum as an important instrument of Taiwan's democratic process has been de facto devaluated.

Second, it is not just the People's Republic of China that could be tempted to interpret the low turnout for the UN referenda as a sign of a lack of public interest in Taiwan for gaining more international space. Consequently, in a first reaction to the elections, China cited the rejection of the referenda as proof of the rejection of independence by the Taiwanese people. Of course, seen in light of the above-cited surveys, this interpretation does not correspond with the reality.

As a result of the failure, the anticipated provocation of Beijing did not take place. At the same time, Ma Ying-jeou's position in negotiations with China has probably been weakened, since he cannot refer to formal, democratically legitimised support for a UN membership by the people.

The international dimension: the United States, Japan and Europe

Washington already declared that the election of Ma offers a chance for more stability and peace in the Taiwan Strait. Without doubt, Washington will also expect progress on the issue of the arms package which President George W. Bush had promised Taiwan as early as 2001. The realisation of this deal has been hampered in Taiwan since then by the KMT-dominated parliament, which blocked the necessary financial means. The US committed itself with the "Taiwan Relations Act" of 1979 to helping Taiwan defend itself. Ma (as well as

Frank Hsieh) promised during the campaign to raise the defence expenditure to 3 per cent of the GDP. However, this does not necessarily mean that the debate within the KMT on the arms package is over.

Japan—due to its historical links with Taiwan (the island was a Japanese colony from 1895 to 1945) and due to the US-Japanese security alliance—is another central, though informal partner of Taiwan. A first visit by Chinese President Hu Jintao to Japan has been scheduled for early May. Most likely, Taiwan will be one of the topics on the agenda between Hu Jintao and the Japanese Prime Minister Yasuo Fukuda.

The European Union welcomed the election of Ma Ying-jeou and also expressed the hope for a reduction of tensions. Peace and stability in the Taiwan Strait are of vital interest to Europe. In order to underline this, Ma could—before his official inauguration—be invited to Europe, for example to the European Parliament. However, the EU and its Member States should try to agree on a common approach to this issue. In the past, they have been too often divided on such issues. Such a step should then also be communicated clearly and early on to the Chinese side in order to avoid misunderstandings. Only by doing this is there a chance that such a visit would not be counter-productive with respect to an improvement of cross-Strait relations.