

Taiwan's new political landscape after the January 2016 presidential election and its international consequences

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In Taiwan's 2016 general election, held on January 16th, the Democratic Progressive Party (*Minjindang*, DPP) won landslide victory. Its candidate Tsai Ing-wen was elected President of the Republic of China (ROC), Taiwan's official name, with 56.1% of the votes, and the DPP won 68 seats out of 113 in the Legislative Yuan – which ensures it an absolute majority in the Parliament for the first time ever. For its part, the Chinese Nationalist Party (*Kuomintang*, KMT), the current ruling party, suffered a huge electoral defeat. Its presidential candidate Eric

Chu Li-luan only got 31% of the vote, and its number of seats in the Parliament fell to 35, down from 64 in 2012. The great confidence placed in the DPP and the bitter disappointment expressed towards the KMT have reveal the Taiwanese people's longing for political change, especially as far as cross-Strait relations are concerned. Dr. Tung Chen-yuan's presentation therefore has revolved around the possible evolution of Taiwan-mainland China relations in the wake of Tsai's election.



The Legacy of President Ma's Rapprochement Policy Towards China

Ma Ying-jeou's 8 years in power were marked by a profound thaw in the relations between Beijing and Taipei. In terms of bilateral dialogue, 11 high-level official meetings took place between the Straits Exchange Foundation (SEF) and the Association for Relations Across the Taiwan Strait (ARATS), plus numerous senior official meetings, and the highly publicized summit between Ma and Xi Jinping in Singapore (November 2015) – the first-ever summit between the Presidents of the two Chinas. In addition, 23 cross-Strait agreements were signed and a diplomatic truce was established, allowing Taiwan to participate in the World Health Assembly as an observer and at the International Civil Aviation Organization as a special guest.

This significant rapprochement has been carried out on the basis of the "1992 Consensus" which, contrary to what its name suggests, is understood differently from both sides of the Strait. According to Taiwan, it ensures the principle of "one China, different interpretations", whereas mainland China interprets it solely as "one China". This ambiguous understanding was only qualified as a "consensus" by KMT's Su Chi in 2000. Therefore, even if the 1992 Consensus paved the way for negotiations, it cannot be a long-term framework for cross-Strait relations – all the more so as Taiwanese people have been increasingly unsatisfied with Ma's mainland policy since his second term (2012-2016). According to Dr. Tung, this disavowal stems from six imbalances.

Taiwan position vs. cross-Strait consensus.

The bulk of Taiwanese people (62%) accuses Ma of having too much insisted on the 1992 Consensus and having adopted a too accommodative a policy towards mainland China (source: TVBS). Since his 2012 reelection, Ma has increasingly promoted Chinese nationalism and been considered as "pro-China", ironically in a period of time when the Taiwanese identity distinct from the Chinese identity and nationalism has become stronger and stronger on the island (source: National Chengchi University).

Economic security vs. cross-Strait economic integration.

Ma justified his rapprochement policy by its supposedly positive economic benefits for Taiwan. Actually, positive effects have been perceived as far from obvious. Taiwanese people's resentment peaked with the Sunflower Movement in 2014, a protest against the ratification of the Cross-Strait Agreement on Service Trade which they considered as more detrimental than beneficial to Taiwan's economy, security, and sovereignty (source: TVBS, TISR).

Public interest vs. enterprise interest. About 40% of the Taiwanese people consider Ma's cross-Strait economic policy as "harmful" and 22% as "beneficial". Moreover, only one professional category hails the benefits and costs distribution of the economic

rapprochement towards the mainland – that of large enterprises, 71.1% of which considers it as "mostly favorable". Less than 10% of the other categories share their opinion (source: DPP).

Taiwan's international participation vs. cross-Strait reconciliation.

Despite the diplomatic truce established since Ma took power and some small steps in favor of Taiwan's international participation, the Taiwanese people have been increasingly dissatisfied with his foreign policy: the disapproval rate climbed from 44% in 2011 to 56% in 2015 (source: TVBS).

Democratic supervision vs. cross-Strait negotiations (KMT-CCP forums).

Taiwanese public opinion is in favor of more transparency and control in terms of cross-Strait policy decision making. Indeed, in 2013, 82.2% of Taiwanese regretted a lack of transparency and 55.4% a lack of supervision by the Parliament (DPP).

Political talks vs. functional negotiations.

Political talks are needed to resolve political differences and disputes across the Taiwan Strait, all the more so as such tensions might undermine the confidence of the Taiwanese people for deeper exchanges and functional agreements. Yet, surveys show that more than 60% of Taiwanese consider Ma as unable to safeguard their country's interests in cross-Strait negotiations.



The Impact of Tsai's Election on Cross-Strait Relations

Unlike Ma and despite repeated calls from the mainland, Tsai has not accepted the 1992 Consensus. She has nevertheless decided to make the **maintaining of the status quo across the Taiwan Strait** the fundamental principle, policy core and goal of her new DPP administration. This means maintaining Taiwan's freedom, democracy, and constitutional order, on the one hand, and safeguarding the peaceful and stable development of cross-Strait relations, on the other hand. Through active communication, Tsai hopes to prevent any provocation and surprise and be able to establish consistent, predictable, and sustainable cross-Strait policy. Her position meets the expectations of the Taiwanese people, more than 80% of whom are in favor of maintaining the status quo (source: National Chengchi University). Moreover, Tsai was considered as the most able 2016 presidential candidate to carry out this task (source: CSPA).

Dr. Tung then compared Xi's and Tsai's priorities in terms of cross-Strait relations. On the one side, Xi will focus its efforts on (1) avoiding *de jure* Taiwan independence, which is quite impossible given Taiwan's mainstream public opinion and Tsai's policy of maintaining the status quo; (2) maintaining peace and stability across the Taiwan Strait to focus its efforts on domestic issues; (3) avoiding China's Taiwan policy failure of the

past 14 years; (4) with political preconditions for Taiwan (i.e. accepting the 1992 Consensus as a negotiation basis), maintaining bilateral official exchanges and functional negotiations to facilitate cross-Strait exchanges and reinforce peace and stability across the Taiwan Strait; (5) conducting political talks to advance unification, stabilize relations and deepen exchanges across the Taiwan Strait. On the other side, Tsai's priorities are (1) avoiding China's military annexation, which is quite impossible given China's priority on domestic issues and international environment; (2) maintaining peace and stability across the Taiwan Strait to focus on Taiwan's domestic development and assure its allies' interest in the region; (3) maintaining bilateral official exchanges and negotiations to facilitate cross-Strait exchanges and reinforce peace and stability across the Taiwan Strait, (4) conducting political talks to resolve political disputes, advance diplomatic reconciliation, and construct perpetual peace without pre-commitment to unification.

As Xi and Tsai stumble over 1992 Consensus, both sides need to establish a new negotiation basis to keep cross-Strait relations on track. It is possible for both sides to reach a new (tacit) consensus since China has been realistic and pragmatic in view of its overall approach towards Taiwan since 1979: for instance, it adjusted its position after Taiwan elections in 1996, 2000, 2004 and 2008. Yet, Xi will have to avoid the impression of a new Taiwan policy failure, and Tsai Ing-wen will have to conciliate the interests of Taiwan public opinion, international powers, and mainland China.

Dr. Tung then established a schedule in three steps for DPP / CCP negotiations:

- To 01/16/2016 (general elections): China adopted no contact policy with DPP due to significant gap of policy position and no trust, made rhetorical threats, and mobilized businesspeople or other stakeholders of cross-Strait exchanges to support the KMT. Two objectives: sabotage DPP's bid for presidency and reduce the DPP administration's room for maneuver if Tsai wins.

- From 01/17/2016 to 05/20/2016 (Tsai's inauguration): China might impose sanctions against Taiwan to force Tsai to make political concessions and might indirectly negotiate with Tsai to reach an implicit consensus with the tacit mediation of the USA. Two key issues: definition of the status quo (whether Taiwan and mainland belong to one China) and definition of cross-Strait relations (whether it is a state to state relationship or not).

- After 05/21/2016: the development of a new cross-Strait relationship depends on the (implicit) negotiation result between Tsai and Xi.

In any case, according to Dr. Tung, cross-Strait relations under Tsai's presidency and her administration may be summarized as follows:

1. Peace and stability across the Taiwan Strait will be maintained.
2. Continuing bilateral official exchanges and negotiations will depend on implicit negotiation results with the tacit mediation of the USA.
3. Cross-Strait economic and social exchanges will continue in spite of China's possible

unilateral sanctions, such as reducing Chinese tourists and investment to Taiwan. These sanctions would anyway have a minor impact on these exchanges.

4. Diplomatic confrontation between Taiwan and China might intensify and worsen.



How Can Cross-Strait Relations Be Sustainable?

Sustainability of the cross-Strait relations depends on the **implementation of a new concept serving as a negotiation basis** between the two sides of the Taiwan Strait. Dr. Tung assumes that the 1992 Consensus is no longer a viable option. According to him, this so-called consensus is already flawed as KMT and CCP actually do not agree on its content: the former interprets it as "one China, different interpretations" while the latter as "one China, period". Moreover, KMT's definition of the 1992 Consensus is not consistent and has leant towards CCP's definition over time: in Singapore, Ma told the audience that "both sides reached a consensus on one China principle", without raising the "different interpretations" part, and did not evoke the "Republic of China". Therefore, even if Tsai were to accept the 1992 Consensus as a negotiation basis (which seems impossible since she was elected with such a high mandate), those different definitions and the lack of trust between the parties would trigger tensions and disputes. Mainland China would keep forcing Tsai to stick to its own definition of 1992 Consensus.

Actually, Tsai proposed four key components of the "established political basis" to advance cross-Strait relations of peaceful development:

1. There was a bilateral meeting in 1992 as a matter of historical fact and there was a mutual cognizance of "seeking common ground while shelving differences."
2. The ROC constitutional order as it exists now.
3. The results of 20 years of bilateral negotiations and exchanges.
4. Taiwan's democratic principle and democratic will.

The four months period before Tsai's inauguration will be crucial as it will determine cross-Strait relations for the rest of her mandate. In order to ensure stability, Dr. Tung assumes that Taiwan and mainland China should concentrate their efforts on developing their respective economy and conducting reforms; at the same time, they should, through communication and negotiation, establish a consistent, predictable and sustainable new model of cross-Strait interactions. Furthermore, as Tsai emphasizes that the democratic will and democracy will embody the two pillars of her government's cross-Strait policy, Dr. Tung asks China to understand and respect these two principles, face the reality of the Republic of China and actively address the issue of Taiwan's international participation. This is the only way for establishing true mutual trust, friendship and reciprocal win-win solutions across the Taiwan Strait.



Q&A

Dr. Tung explains the all-time-low turnout rate (66.1%) by the fact that a high number of voters, most of them from the pan-blue coalition, did not bother going to the polls: they were either dissatisfied with Ma's politics and preferred staying at home rather than voting for the KMT candidate, or convinced that Tsai would win and therefore thought their vote would not make a difference.

Asked how KMT can recover from this failure, Dr. Tung answered that it will depend on who will be its next leader, how it can become a reliable opposition party by not losing support, how it can promote new leaders from the young generation, what policy line it will adopt in order to distinguish itself from DPP and convince public opinion, and finally how the DPP will handle with its electoral success.

Asked if Tsai's position is not too moderate according to a certain fringe of the DPP, Dr. Tung reminded the audience that she was elected with a very strong mandate to pursue her own policy and that her indirect DPP predecessor Chen Shui-bian (2000-2008) was on the contrary regarded as too much of a separatist and had to bowdlerize his stance.

Dr. Tung considers the New Power Party (*Shidai Liliang*, NPP), which won 5 seats in the Legislative Yuan, as a potential support for the DPP in terms of cross-Strait policy, but not as a staunch ally.

On the business community, Dr. Tung indicates that many *Taishang* (Taiwanese entrepreneurs in China) support the DPP in private, even if they stand in favor of the KMT in public.

Asked about Tsai's priorities when in office, Dr. Tung said she would be prone to focus on domestic policies and in particular the economy – yet, those issues are tightly linked to that of cross-Strait relations. For instance, Tsai wants to improve the economic situation by joining regional free-trade agreements. However, taking the example of the Trans-Pacific Partnership (TPP), Dr. Tung pointed out that Taiwan would have to obtain the consent of its 12 member states and most of them enjoy a close relationship with mainland China. Therefore, even if Tsai has a strong experience in international negotiations, Beijing's clout could thwart her ambitions, provided a new framework for cross-Strait relations is not developed. Furthermore, in terms of cross-Strait economic agreements, Tsai said she would respect past negotiations but will she? In the case of the service trade agreement, she has already indicated that she will revise the existing draft and as a result force the Chinese side to go back to the negotiation table.

Asked if Tsai's position to ensure the respect of the ROC Constitution – which enshrines the “one China” principle – in the framework of cross-Strait relations, while sticking to the DPP 1992 resolution – which reckons that “the ROC is Taiwan” – is not contradictory, Dr. Tung answered

the ROC Constitution was amended 7 times and now recognizes, in its temporary dispositions, that the “free ROC” territory consists of Taiwan, Penghu, Kinmen and Matsu – a statement which is in accordance with the DPP 1992 resolution.

Dr. Tung finally pointed out that a new consensus is likely to be found between Beijing and Taipei. Even if Xi is China's most powerful leader since Deng Xiaoping, his presidency has already been tarnished by an economic slowdown and a policy failure towards Taiwan. The use of force is not an option as it would trigger an international crisis and implicate the United States. It would also be at odds with China's regional policy which is purportedly based on peace and harmony. Xi, therefore, is not in a position of strength and cannot impose either heavy or lasting sanctions. Tensions are only likely to occur in the economic and political fields: decrease in investment and tourist flows from the mainland to Taiwan or breakdown of the diplomatic truce. Like his predecessors, Xi will certainly adopt a pragmatic stance, all the more so as Tsai insists on maintaining peace in the Taiwan Strait. Nevertheless, the possibility of a deadlock in negotiations is worth considering as Xi is adamantly opposed to abandon the 1992 Consensus and the “one China” principle.