Sizing Up Taiwan’s Election
By Yun-han Chu

The fierce presidential election in January was watched closely by much of the world for signs whether Taiwanese voters would endorse the island’s policy of closer economic integration with mainland China. Yun-han Chu examines the implications of President Ma Ying-jeou’s re-election.

FOR EAST ASIA, 2012 IS an eventful and critical year of leadership transition. Virtually all relevant players in or around the region have just passed or will soon arrive at sensitive political junctures, starting from the power succession in Pyongyang, Vladimir Putin’s election to a second presidential stint in March, the power transition from President Hu Jintao to Xi Jinping at the Chinese Communist Party’s 18th Party Congress in late September, US President Barack Obama’s re-election bid in November, and finally the electoral contest in South Korea over control of the Blue House in December. The outcome of all these crucial events carries enormous implications for the region’s stability and prosperity.

Taiwan’s joint presidential and parliamentary election on Jan. 14 was no exception. It mattered because it determined whether the momentum of the recent rapprochement across the Taiwan Strait would be sustained or reserved. It mattered also because stability in the Taiwan Strait is of central importance to the world’s three largest economies: the United States, China and Japan. Both Washington and Beijing had been watching this election with great concern because most pundits had predicted a tight race. Neither the re-election of Ma Ying-jeou nor the renewal of the Kuomintang’s (KMT) majority in the Legislative Yuan could have been predicted with any certainty as this fiercely contested race approached the finish line. For the Obama administration, much was at stake in this election. Sustaining peace and stability across the strait is especially important for the US, because it has its hands full dealing with frictions with Beijing over a range of political, economic and security issues.1 Moreover, no incumbent US president seeking a second term would welcome another burning issue on his plate during an election year. The prospect of a return to power by the pro-independence Democratic Progressive Party (DPP) worried US policy makers because during a trip to Washington in September 2011 by Tsai Ying-wen, the DPP’s presidential candidate, Tsai failed to convince US officials that the DPP had a viable formula to engage Beijing and prevent a major rupture in cross-strait relations.2

Beijing had an even greater stake in this race. The election was widely perceived as a litmus test election as it could raise tensions with China. “She left us with distinct doubts about whether she is both willing and able to continue the stability in cross-strait relations the region has enjoyed in recent years,” the US official told the Financial Times on Sept. 15. A few days later, the Nelson Report revealed that the statement to the Financial Times was made by — or at the personal direction of — none other than National Security Adviser Thomas Donilon.

2 Right after her visit to Washington, DC, an unnamed US senior government official signaled to the Financial Times that the US did not want to see Taiwanese opposition leader Tsai Ing-wen win January’s
of the viability of Hu Jintao’s pragmatic approach to Taiwan, which has placed emphasis on “peace and development” instead of “peaceful reunification” and applied more carrots than sticks. A return to KMT rule could have emboldened the hawkish voices within the ruling Communist Party (CCP) to scrutinize Hu’s policy and push for a tougher approach. Also Ma’s defeat could have suggested that the majority of Taiwan’s electorate rejects the central pillar on which Beijing has based its willingness to engage with Taipei, the 1992 consensus on “one China.” Such a development at the critical juncture of a power transition in mainland China could have had very serious consequences for Hu’s political credibility and posed a daunting challenge to the untried leadership of Xi Jinping, the heir-apparent.

As it turned out, the outcome of the election surprised most pundits. The KMT scored a comfortable and convincing victory. Ma garnered 51.6 percent of the vote, while his chief rival, Tsai, received only 45.6 percent. The KMT also managed to retain a solid majority in the Legislative Yuan, winning 64 seats out of 113. At the end of the day, Taiwan’s electorate found no compelling reason to replace an incumbent with a proven track record with someone who is largely an unknown quantity. A majority of voters were persuaded that they should keep an incumbent president who has brought peace to the Taiwan Strait, earned the trust of major allies, expanded the island’s international space, managed the impact of the global financial crisis relatively well, and kept his promise to deliver clean politics for another four years. In particular, the stability-conscious middle class and the business community wanted to stay the course on cross-strait rapprochement and preserve the momentum to reinvigorate Taiwan’s economy.

During the campaign one witnessed a paradigm shift in the parameters of policy debate. Since Taiwan’s democratic transition in 1996, this was the first presidential election where the DPP did not anchor its campaign strategy on an explicit Taiwan independence platform. This is also the first national election where the DPP held back its frontal challenge to the legitimacy of the state structure under the Republic of China Constitution. The center of political gravity, in other words, has been shifted. The DPP’s long-standing de jure independence agenda — such as pushing for a Taiwan constitution, applying for United Nations membership under a new country name, and holding a referendum over the status of Taiwan — was overtaken by a more pragmatic debate over how to maximize the gains and minimize the costs that come with cross-strait economic integration and the larger process of economic globalization. Among the traditional supporters of the DPP, aspirations for Taiwan’s independence were replaced by a fear of the island being infiltrated and assimilated by China.

The results of this election consolidated the political coalition behind the KMT policy of cross-strait political conciliation and economic co-operation. With the arrival of an increasingly large number of mainland Chinese tourists (from 600,000 in 2009 to 1.2 million in 2011) and a rapid expansion of direct air links with all major mainland Chinese cities (close to 600 direct flights weekly over the strait by the end of 2011), more and more Taiwanese voters have begun to recognize that mainland China is no longer just an indispensable manufacturing platform for Taiwan export-oriented sectors but an important new source of tourist spending, investment capital and consumer demand.
Republic of China (PRC). During Ma’s first term, Taipei was also able to improve its international space and visibility without encountering serious obstruction from Beijing. Since May 2009, Taiwan has been regularly invited, under the name of “Chinese Taipei,” to be an observer at the annual meeting of the World Health Assembly. Lien Chan, the former vice president, has been able on a regular basis to attend the annual informal leaders meetings of the Asia-Pacific Economic Co-operation (APEC) forum on behalf of Ma. Citizens carrying ROC passports are now able to travel visa-free to more than 100 countries, including all member states of the European Union, Japan, Australia and Canada. Most notably, Taipei was able to secure the approval of the Obama administration for a $5.8 billion arms sales package in September 2011 without harming the cross-strait rapprochement. After a convincing renewal of his popular mandate, Ma’s administration will be more confident in pursuing its strategy to harvest the peace dividends. It will accelerate the post-ECFA trade negotiations with Beijing, expand the cross-Strait cultural and education exchange, welcome more Mainland Chinese tourists, and push for more international space. However, this does not mean that Ma and the KMT have neither the desire nor the incentives to step into this treacherous terrain. He has tactically pre-empted this possibility by openly and repeatedly pledging that his government will not enter political negotiation with Mainland China unless there is strong domestic consensus over these issues, which in all likelihood will remain in short supply in the foreseeable future. Also, nowadays Beijing’s top policy makers have a rather sophisticated understanding of the dynamics of Taiwan’s internal politics and public opinion. They understand well that it would only be counter-productive to push for political talks before a great majority of Taiwanese voters are really ready. There is little doubt, however, that the trend of cross-strait economic integration will accelerate. Just as the first-generation Taiwanese investors are running out of steam under rising labor cost, tougher environmental regulations and the appreciation of the renminbi, a new wave of Taiwanese investment focusing on mainland China’s domestic market has just gotten its momentum going. In terms of opportunities for deepening economic cooperation, many low-hanging fruits have already been picked, but there are plenty more left to be picked. Mechanisms for sector-specific cooperation have been created to unleash the great potential for the two sides to undertake joint efforts to incubate world-class industrial giants and brand names, to create momentum for the two sides to form joint ventures in alternative energy, electric automobiles, Chinese medicine, aerospace, next-generation telecommunications and new materials, and to facilitate the joint development of industrial and technical standards in these sunrise sectors. The biggest challenge for Ma during his next term lies in how to keep up a virtuous cycle in the triangular relationship among Washington, Beijing and Taipei just as tensions between the two superpowers are likely to increase as the Obama administration undertakes its much-trumpeted “pivot” toward Asia. Equally worrisome are calls in the US to either abandon Taiwan or, conversely, to embrace it even more closely as a hedge against China’s rise. Taipei did not take it lightly when some former senior US policy makers recommended that the US re-examine its support for Taiwan, in particular its arms sales. One of them, former National Security Adviser Zbigniew Brzezinski, gingerly wrote in Foreign Affairs that “it is doubtful that Taiwan can indefinitely avoid a more formal connection with China.” 4

In this context, Taipei would be no less able than Beijing to steer the future course of cross-strait relations despite the increasing asymmetry in the distribution of hard power between the two.

Yun-han Chu is Distinguished Research Fellow at the Institute of Political Science of Academia Sinica and Professor of Political Science at National Taiwan University.

4 Balancing the East, Upgrading the West,” Foreign Affairs, January/February 2012.