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Discussion Paper

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1. Two years after resignation, Tsai returned to power with more strength

1.1 "I am back" – Tsai launched her high-profile race for DPP chief with a strong message.

After losing to Ma Ying-jeou by 780,000 votes in the 2012 race for Taiwan's top leadership, Tsai Ing-wen noted she had "failed on the last mile". Although she has never explained it in public, many people believe the "last mile" refers to "cross-strait relations". On the island, her cross-strait policies failed to win the trust of voters, especially business people. Outside the island, her denial of the 1992 Consensus was rejected by the mainland and the United States, who both thought that her ascension to power would disrupt the stability of cross-strait relations and would bring turbulence to the region.

Tsai took responsibility for the defeat and resigned as chairperson of the Democratic Progressive Party (DPP). After that, she led her old team to found the Thinking Taiwan Foundation, rallying the young elite of the DPP and pro-Green scholars to her camp. To step up training her young supporters, she worked as a tutor at several training centers of the DPP (including the Kaitakelan Youth Camp and the Spring Rain Camp for Young Leaders of Taiwan), whose students have backgrounds in various factions of the party. As their mentor, Tsai has not only sought development opportunities for her young supporters, but also built up the strength of her camp. In March 2013, she launched the "Political Forefront", a training program for young people. As the last part of the program, trainees would be sent into legislative offices to acquire first-hand experience with political affairs; this arrangement has attracted many college graduates to apply.

Apart from these training programs, Tsai has been frequently visiting grassroots people. During the 2012 election, she was criticized as a "blueblood who knows nothing about the woes of ordinary people". To change this image, she has set up a task team in Hsinchu to communicate with Hakka people, and regularly visits their villages in person to woo their support.

Meanwhile, Tsai has also sought new approaches for cross-strait relations, once the weak link in her policies. She sent several close allies to visit the mainland, including Lo Chih-cheng (former DPP spokesman and incumbent chief of the party's New Taipei committee), Hsiao Mei-chin (a member of the "Legislative Yuan") and Lin Chuan (chief executive of the Thinking Taiwan Foundation); and invited some scholars from the mainland, including Sun Yafu (former deputy-

director of the State Council Taiwan Affairs Office), to exchange opinions with the Taiwan Brain Trust. When Su Tseng-chang chaired the DPP, Tsai only showed a symbolic participation in the events of his “China Affairs Committee” and “China Affairs Department”. She has also become very cautious in her wording with regard to cross-strait relations: at the press conference for Lin’s mainland visit in January 2014, Tsai referred to the mainland with such neutral terms as “the Chinese mainland” and “the other side of the strait”, instead of the “China” that she used to use. This change raised much speculation outside the party that Tsai might have learned her lesson after losing the 2012 election and has revised her cross-strait stance and policies as she prepares for another run.

All in all, Tsai’s loss in the 2012 election and her following resignation did not affect her status or strength in the DPP. In contrast, Su Tseng-chang’s dismal performance during his two years as the DPP chief made him an underdog to Tsai. Although some commentators regard Tsai and Su as the “two suns of the DPP”, the latest polling results from Taiwan’s Apple Daily show that Tsai has outshone Su by a large margin: asked who would have the best chance to lead the DPP to victory in the 2014 municipal elections, 58.62% of respondents chose Tsai, whereas only 17.06% supported Su and 6.5% chose Hsieh Chang-ting.

Tsai herself has also been full of confidence: she held a press conference on March 15 to declare her candidacy for DPP chief and her campaign slogan – “Rebuild trust; rejuvenate Taiwan.” At the conference, she noted that her party did have the “last mile” to finish, and called for every DPP member to treat it as the “first mile” as the party starts anew. She also put forward three goals for the DPP: to be a party for the future and foster a new generation of talents, to be a party of tolerance and build self-confidence, and to be a party of action.

Her entire campaign announcement directly targets the DPP central committee under Su, implying that his committee was intolerant, slow in action and blind to a future that people want. She told her supporters “it is time” to act, because Su had led the DPP into a massive confrontation with the government, which had paralyzed the island and made people sick of politics. Therefore, she told her supporters, “I am back” to fix the problems as no one else could: she would bring changes to the DPP, to make it start anew and to treat the “last mile” as the “first mile”.

1.2 The anti-CSSTA movement propelled Tsai to victory in the DPP election.

Tsai formally declared her candidacy for DPP chief on March 19, 2014, when Taiwan’s political system had been paralyzed by the severe confrontation between the Kuomintang (KMT) and the DPP over the review of the Cross-Strait Service Trade Agreement (CSSTA). That was one day after the start of an anti-CSSTA movement led by Lin Fei-fan, Chen Wei-ting and Wei Yang, all young supporters

of Tsai. Their political views fit into the “path of citizens” advocated by Tsai since her first stint as DPP chief. Although Tsai’s office repeatedly dismissed her connection with the movement, people have been fully aware that its leaders are from her camp. Therefore, even Su, who had vowed to fight Tsai in the DPP election and Taiwan’s 2016 leadership election, dropped out after considering the situation carefully. Hsieh, another former DPP chairman, soon followed suit, making Tsai the only candidate running for re-election. Without any serious rivals to Tsai, the election became a mere formality and ended with her landslide victory.

The anti-CSSTA movement gave Tsai unrivaled popularity, strength and influence in the DPP, which saved her all the maneuvers and fights that her team had planned against Su. The victory has made her the only three-term chairperson of the DPP since the party introduced the position in 1998, and her 93.71% share of the vote is also the highest ever. Moreover, this victory is completely different from her first in 2008, when she took the chairpersonship as a caretaker as no one else wanted to deal with the shambles after the DPP’s rout in the leadership election. This time, Tsai returned to power with real strength. The anti-CSSTA protest broke out in Taipei, a traditional stronghold of the Pan-Blue Coalition. After seeing its large number of participants and its secessionist inclination in calling for more scrutiny over cross-strait agreements, Tsai said the “awareness of indigenous identity and adherence to autonomous values have become a natural part of the young generation” on the island. She even thought it was totally unnecessary to advance or revise any views on cross-strait policies for her race in the DPP election and Taiwan’s 2016 leadership election.

2. A re-elected Tsai believes that she can govern the island without revising her cross-strait policies

2.1 Mistakes of Ma’s administration have reduced the need and urgency for Tsai to change her cross-strait policies.

Since losing the 2012 election, Tsai has focused her efforts on retaking power in the DPP and Taiwan. Meanwhile, her acknowledgment of “failing on the last mile” has made many people believe that she would revise her cross-strait policies to win back voters’ trust. However, the ruling KMT has performed so poorly under Ma that his approval rating has dropped below 10%. The situation is compounded by the party’s internal strife, which has been highlighted by the disputes between Ma and Wang Jin-pyng in September 2013. Worse still, Ma’s administration has been hounded by protests organized by the DPP, from the anti-CSSTA and anti-nuclear protests to the opposition to the Free Economic Pilot Zone, which have exhausted much of his political capital and energy.

All these problems have cast a huge shadow over the KMT's prospects in Taiwan's municipal elections in late 2014. Rampant scandals involving KMT members in Taoyuan, Keelung, Chiayi and Penghu have doomed its chance of winning in these places. Even in Taipei, a stronghold of the Pan-Blue Coalition, the coalition's candidate Lien Sheng-wen has lagged in polling results behind Ko Wen-je, who runs without any party membership but remains a hardcore supporter to the Pan-Green Coalition.

Therefore, Tsai believes there is no need to revise her cross-strait policies for the DPP to retake power from the KMT, whose mistakes already cost it much public support. More specifically, her first plan is to help the DPP win two to four cities/counties from the KMT in the 2014 municipal elections, which will be used as the proof of her substantial achievements as chairperson. After that, she will seek to defeat the KMT in Taiwan's 2016 leadership election. The municipal elections are about local affairs and will not involve cross-strait relations; and Tsai thinks if the DPP wins the 2016 election and becomes the ruling party, it is no longer important for her to revise cross-strait policies.

2.2 Tsai has abandoned her non-secessionist stance and moved closer to hardcore secessionists.

On July 20, the DPP held its first congress since Tsai's re-election. This convention was expected to cover many crucial issues, such as how the party would approach cross-strait relations, how it would transform itself and how it would plan for the future. More specifically, it would decide the restructuring of the party's central committees, and the fate of a proposal to "freeze" the secessionist clause in the party constitution. Therefore, it had drawn wide attention from outside the party, as many people were watching how Tsai would deal with the "freezing" proposal.

At the opening of the congress, Tsai set its keynote as "cleanness, diligence and reform". Judging from this theme, the DPP still focuses its efforts on retaking power from the KMT, and did not give cross-strait policies a high priority in the agenda of this congress. The proposal to "freeze" the secessionist clause was submitted by more than 40 representatives, including such heavyweights as Chen Chau-nan, Kuo Cheng-liang and Tung Chen-yuan. Facing the sharp conflict between the "pro-freezing" and "anti-freezing" factions, however, Tsai's central committee only spent five minutes tackling the issue before packing it with other motions to the Central Executive Committee for review. This decision in effect shelved the proposal, so it has been called "freezing the freezing motion". The move matches the tone of Tsai's press release on July 19, which argues that it is inappropriate to "freeze" the clause. It was this stance that gave the proposal a worse fate than a similar motion submitted by Ko Chien-ming in December 2013, which caused fierce debate in the party but ended without any progress; in

contrast, the new proposal has barely been discussed at the congress. Tsai's decision in this matter has shown that she has completely broken from her old image as a representative of non-secessionism in the DPP.

Worse still, Tsai has set a secessionist tone for the DPP's future cross-strait policies in a speech at the congress. She said that the "awareness of indigenous identity and adherence to autonomous values have become a natural part of the young generation" on the island. With such beliefs, it is hard to imagine that she would ever "freeze" the secessionist clause, let alone abolish it altogether. The speech has shown that Tsai has taken an explicit secessionist stance: instead of agreeing to discard or shelve secessionist claims, she has imposed the secessionist ideology on Taiwan's young generation.

On July 19, one day before the opening of the congress, Tsai remarked "the 'freezing' of the secessionist clause is a myth". She said, "The Resolution on Taiwan's Future is the DPP's consensus on Taiwan's future and on the statuses of the two sides of the strait. It has even become the consensus of Taiwan people. Based on this consensus, the DPP hopes for better, more stable interactions so that the two sides can improve mutual understanding and build mutual trust." These words have shown that in order to acquire absolute authority in the DPP, Tsai has taken an explicit secessionist stance and will never consider the "freezing" of the secessionist clause. This stance has almost shattered all the hard-won trust between her party and the mainland, which was built through all the exchanges since 2013, and has nearly blocked all the opportunities for improving its exchanges with the mainland in the future. Therefore, it is a clear fact that a re-elected Tsai has been inclined towards secessionism.

3. Tsai has established a powerful faction within the DPP to cement her authority

When the 16th DPP congress elected members of its Central Executive Committee (CEC) and Central Standing Committee (CSC), Tsai scored another landslide victory and has commanded absolute authority in the central organs. Among the 30 elected CEC members, 14 are from Tsai's camp: five from her own faction (including Chen Ming-wen, Su Chia-chyuan, Lin Chun-hsien, Huang Jin-chun and Shi Xi-fang), five from the pro-Tsai New Tide faction, and four from the faction of Chen Chu, who is also Tsai's close ally. In contrast, Hsieh Chang-ting's camp has only five seats; Su Tseng-chang's faction has just three seats left, and even if Yu Hsi-kun's faction stays on his side, their alliance commands only seven seats. The situation is similar in the CSC: Tsai herself is a member without election, and among the ten elected members, two are from Tsai's camp and two are from the New Tide faction. With such strength, Tsai may also gain the support of other

members who want to stay on the side of power, such as Lai Ching-te, Ko Chien-ming and those from Chen Chu's faction.

After losing chairmanship, Su Tseng-chang is too weakened to challenge Tsai; whereas Hsieh Chang-ting could only guard his old bastions. In contrast, Tsai has formed a new powerful camp with the New Tide faction as the junior partner. With its unrivaled strength and cemented place in the DPP, this new camp resembles the one formed by Chen Shui-bian after his victory in Taiwan's 2000 leadership election. What makes it more extraordinary is that Chen did not achieve this level of authority until becoming Taiwan's top leader whereas Tsai already did it as a newly-elected party chief.

4. Tsai has been hounding Ma and the KMT at every available chance

Tsai and the DPP have been thwarting Ma Ying-jeou's administration ever since he took power. To exploit the internal strife of the KMT, especially the disputes between Ma and Wang Jin-pyng, they have focused the attacks on the ruling alliance led by Ma and Jiang Yi-huah. Taking advantage of a succession of corruption scandals in Ma's administration and among senior officials in local governments, Tsai and her allies have kept attacking the once-clean image of Ma. Meanwhile, they have continued to accuse Ma's administration as "impotent", disrupting its operation by forcing the resignation and replacement of several key figures (including the chiefs of labor affairs and economic affairs as well as the deputy-chief of the Mainland Affairs Council). Moreover, Tsai and the Pan-Green Coalition have taken every chance to oppose Ma, launching waves of protests against his plans such as the CSSTA, the Fourth Nuclear Power Plant and the Free Economic Pilot Zone. All those protests have exhausted the energy of Ma's team and plunged them into an unprecedented governing crisis. By hamstringing the KMT with the attacks, Tsai has been creating favorable conditions for the DPP to retake power in Taiwan.

5. Tsai believes the key to her race for Taiwan's leadership is the United States, not the Chinese mainland

After losing the 2012 election, Tsai acknowledged her failure "on the last mile". Only two years later, however, she has turned to an explicit secessionist stance on cross-strait policies due to the following factors and considerations:

5.1 The DPP enjoys bright prospects in the 2014 municipal elections.

The KMT has suffered governing crises in several places, which makes Tsai and the DPP very confident about the municipal elections in late 2014. Therefore, she has shelved the motion for “freezing” the secessionist clause in the DPP constitution, and even takes a dismissive attitude towards it. In an interview with the *CommonWealth* magazine, she claimed that “once the DPP wins the municipal elections, the mainland will adjust its policies towards the DPP of its own accord, and as long as the Chinese mainland makes such adjustments, the United States will have nothing to say.”

5.2 Tsai believes once the DPP takes power in Taiwan, the mainland will follow its direction.

In an interview with Taiwan’s media, Tsai remarked that the mainland was most afraid of betting on the wrong side. She thinks if the DPP wins the 2014 municipal elections, the mainland will try to solicit its cooperation and place a bet on the DPP winning the following elections, especially the 2016 election. Therefore, she argues that once the DPP takes power in Taiwan, it will have more bargaining power in its talks with the mainland and no longer needs to adjust or revise its cross-strait policies or secessionist claims.

5.3 Tsai regards American support as the key to her victory in the 2016 election.

After losing the 2012 election, Tsai acknowledged her mistakes. She noted that during her visit to the United States in September 2011, she had failed to win its understanding of and support for the DPP’s cross-strait policies. At the end of her visit, the *Financial Times*, a British newspaper, reported that the United States was worried about the consequences of her ascension to power. These worries were an important reason for her loss in 2012.

However, the situation will be different in 2016. Taiwan and the DPP have become more important to the United States, and under the current circumstances, it is in the interest of the United States to see the rise to power of a DPP that can maintain good relations with it but will not cause it any trouble in cross-strait affairs. Randall Schriver, a former Deputy Assistant Secretary of State of the United States who has been known for his pro-Taiwan stance, thinks the United States has much space for maneuver in its policies. On the one hand, he advises Taiwan to pay more attention to the United States and Japan and exert stronger “containment” towards the Chinese mainland; on the other hand, he suggests that the United States should continue to help Taiwan build its confidence. In effect, he argues that Taiwan can play an important role in the United States’ strategic “rebalance” to the Asia-Pacific and that a DPP administration will better suit the

interests of the United States than a KMT administration. Such opinions will be an important reason for the United States to support Tsai in the 2016 election.

5.4 Tsai has kept the key figures of Su Tseng-chang's team for dealing the United States.

The analysis above holds that changes in Taiwan's relations with the United States will benefit the DPP. This conclusion is based on the fact that Wu Chao-hsieh and Liu Shih-chung have remained respectively as Taiwan's chief representative to the United States and DPP's head of international affairs, posts they were appointed to when Su Tseng-chang headed the DPP. After defeating Su in the DPP election, Tsai has kept Wu and Liu in their posts, because she believes they are much better than her own camp's Hsiao Mei-chin in communicating with the United States (including the White House, Congress and think tanks). Moreover, she has also appointed Wu as secretary general of the DPP, a key post within the party. With these moves, Tsai has lent full support to developing her party's relation with the United States.

In contrast, Tsai gave the post of mainland-affairs chief to Zhao Tian-lin, who is from Hsieh Chang-ting's faction and is a comparatively low-profile figure in the DPP. This means that Tsai has placed the relation with the United States above the relation with the mainland. After Taiwan's 2014 municipal elections, especially if the DPP gains a clear upper hand from the results, Tsai will step up her efforts to strengthen the relation between her party and the United States as she strives to win American support for her ascension to power in Taiwan.