

**9th Symposium on
“Sino-EU Relations and the Taiwan Question”**

Chongming, Shanghai, China

June 30—July 3, 2012

A workshop jointly organised by German Institute for International and Security Affairs / Stiftung Wissenschaft und Politik (SWP), Berlin and Shanghai Institutes for International Studies (SIIS), Shanghai, with the friendly support of the Robert Bosch Foundation, Stuttgart.

Discussion Paper

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**Prospective Changes in Taiwan's Political Situation and Trends of
Cross-Strait Relations after Ma Ying-jeou's Re-election
(Summary)**

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In Taiwan's "Presidential" and "Legislative" elections on Jan. 14, 2012, not only Ma Ying-jeou won his second term, but the KMT also secured 65 seats out of a total of 113, maintaining an absolute majority in the "Legislative Yuan." With the administrative and "legislative" power largely in hand, the KMT is able to sustain its "overall predominance" in Taiwan's politics, thus exerting great influence over the political situation in Taiwan and cross-Strait relations in the years to come.

I. General political situation in Taiwan after the re-election of Ma Ying-jeou

1. Three major features of Taiwan's political situation:

First, the power structure between the pan-Blue and pan-Green camps will remain largely the same, with the KMT playing the dominant role in Taiwan's political development. Second, the KMT retains its agenda-setting power in the "Legislative Yuan" despite the more seats won by the DPP. Third, Taiwan's political structure of "Blue in the north and Green in the south" will persist on the whole.

2. The KMT will keep consolidating its status as the ruling party:

First, Ma's team will maintain predominance of the KMT while other "localist forces" like Wang Jinping can hardly pose serious threats; second, Ma's reform of the KMT will proceed as planned, with the relationship between central and local factions lying at the core of the reform; third, the "mid- and new-generations" represented by Zhu Lilun and Hao Longbin will grow to be the backbone of the KMT, yet struggle over succession of Ma Ying-jeou and power distribution may increase.

3. The DPP is facing two major challenges: internal power struggle and change of the past course.

Although Su Tseng-chang won the DPP chairmanship with more than half of the votes, Tsai Ing-wen still holds great power within the party. Whether the "Su Tseng-chang era" can truly arrive depends on how Su tackles three issues, namely integrating the DPP, dealing well with the KMT and changing the DPP's "Taiwan-independence" platform. It can be certain for now that Su will try his best to lead the DPP to becoming a "responsible opposition party," and one of his priorities is to revise the DPP's cross-Strait policy to meet the tides of the peaceful development of cross-Strait relations.

4. *The “Legislative Yuan” will be largely dominated by the two major parties—KMT and DPP, yet the role of the two smaller parties, the People First Party (PFP) and the Taiwan Solidarity Union (TSU), cannot be ignored.*

Owing to the rule of the “Legislative Yuan” that, to get into the voting process, all proposed bills have to acquire universal consent from all the caucuses, thus smaller parties share a bigger role vis-à-vis the two major parties, necessitating negotiation among the four parties at all time.

II. Trends of Ma Ying-jeou’s Mainland policy in the next four years—interpreting his May-20 speech

1. *Main contents of the speech:*

Ma focused on five issues in the speech: democracy, first-term achievements, future objectives and measures to take, strategy to reach the objectives, and integration of political forces within Taiwan. The ultimate goal is to maintain peace across the Taiwan Strait and “create a happy home for the Taiwan people.”

2. *Ma’s Mainland policy as in his speech:*

Although his address on cross-Strait relations constitutes an important part of the speech, there are indeed few changes made to the blueprints he proposed four years ago, including regarding the “ROC Constitution” as the highest guiding principle in cross-Strait relations, setting the basic goal to be “creating a favorable environment for the peaceful development of cross-Strait relations and for building a ‘happy Taiwan,’” sticking to the “3-no” policy in cross-Strait relations, etc.

3. *Features of Ma’s Mainland policy:*

First, seeking balance between his Mainland policy and Taiwan’s external policy, in order to “ensure Taiwan’s security” while expanding its “international space”; second, insisting on separating economic issues from political issues in cross-Strait relations, i.e., promoting economic cooperation with the Mainland yet depending on the US on political and security levels; third, subordinating his Mainland policy to Taiwan’s internal politics, as he said in the speech “economy first, and internal politics as the priority”; finally, de-emphasizing political issues not only in cross-Strait relations but also in Taiwan’s internal context, so as to mitigate the tension and disputes within the Taiwan society.

4. Positive and negative significance of Ma's Mainland policy:

The positive aspects include 1) insistence on the political stand on the "1992 Consensus" shared by both sides across the Strait; 2) implication of the notion that "Taiwanese are also Chinese"; 3) advocacy of "consolidating peace" in future cross-Strait relations; 4) calling for "deeper mutual trust" across the Strait; 5) suggestion on "seeking new fields for cross-Strait cooperation in the next four years" which, as many understand, includes at least educational and cultural cooperation; 6) moderating the expectation for Taiwan's international involvement; 7) emphasis on concluding the follow-up consultation of ECFA "as soon as possible"; and 8) putting forth the notion of "one ROC, two regions," which is perceived as clarification and legalization of the positioning of the political relationship between both sides across the Strait. The negative aspects include 1) focusing on the "three nos" while making few positive proposals on cross-Strait relations; 2) lacking vision in the future development of cross-Strait relations; 3) exalting the "superiority of Taiwan's democratic system" and hinting criticism over the Mainland; 4) showing much self-contradiction by emphasizing the necessity of the peaceful development of cross-Strait relations while trying to justify Taiwan's arms purchases; and 5) insisting on "mutual non-recognition of each other's sovereignty and non-denial of each other's administrative jurisdiction."

III. Trends of the DPP's Mainland policy guidelines

1. Necessity of Transforming the DPP's "Taiwan-independence" platform:

The DPP's Mainland policy guidelines have been undergoing serious reassessment and revision since Tsai Ing-wen lost the campaign. Currently, the DPP faces rising calls from within the party, from the general public in Taiwan and even from the international society to abandon its "Taiwan-independence" stand and return to the "1992 Consensus."

2. On the way of transformation, the DPP will be confronted with 4 major obstacles within the party:

First, hindrance from "Taiwan-independence" fundamentalists and the conservative forces; second, sharp disputes on the causes of the DPP's defeat in the past election; third, lack of a charismatic and persuasive political leader; and fourth, power struggle among different factions. In all, it will take quite a long time for the DPP to abandon its "Taiwan-independence" platform and acknowledge the "1992 Consensus," thus very difficult for the DPP to transform into a mature political party that can well handle cross-Strait issues.

IV. Possible trends of cross-Strait relations in the next four years

1. Peaceful development will be the dominant trend of cross-Strait relations:

1) with Ma Ying-jeou's re-election, the political situation in Taiwan remains favorable for the peaceful development; 2) with a growing number of people in Taiwan acknowledging the "1992 Consensus," the political foundation for peaceful development across the Strait is being further consolidated; 3) The Mainland, Taiwan and the international society all adopt policies supporting and encouraging the positive trend of cross-Strait relations in general; and 4) the many achievements made over the past four years serve as a solid foundation for the future development of cross-Strait relations.

2. Cross-Strait relations also face great challenges in the next four years:

Including 1) the DPP and other "Taiwan-independence" forces will keep impeding the course of peaceful development of cross-Strait relations; 2) Ma and his team are still unconfident about Taiwan's Mainland policy, thus very hesitant in starting political consultation with the Mainland; 3) with the slow progress on political issues, many structural conflicts are arising that hinder the deepening of cultural, economic and social exchanges across the Strait; and 4) the rapidly changing international situation—the US "pivot to Asia" and the European debt crisis, for example—causes much uncertainty to the course of cross-Strait relations.

3. Some new development is expected to be made in the next four years:

1) New agreements may be reached on financial cooperation, monetary clearing, industrial interchange and cooperation as well as "opening Taiwan for Mainland capital." 2) ARATS-SEF talks will very likely follow the path of "economy first, then cultural and educational issues, then political issues." On top of the agenda is consultation on the four follow-up agreements of ECFA. 3) Cultural and educational exchanges will be further expanded. While an agreement on educational exchanges is likely to be signed, one on cultural exchanges is yet difficult to reach. 4) When and how to start political consultation depends as much on the determination of Ma's team as on the future development of cross-Strait relations. With growing support from the Taiwan public, Ma is likely to take further steps towards the consolidation and institutionalization of the peaceful development of cross-Strait relations.