

Taiwan election result—questions answered,
questions raised

by Roslyn Richardson

97

23 January 2012

Introduction

Leaders on both sides of the Pacific breathed a quiet sigh of relief when Taiwanese President Ma Ying Jeou was elected for a second term on 14 January. While the final result rested in the hands of Taiwan's voters, Chinese and US officials were said to be backing Ma of the Kuomintang (KMT) over his nearest rival Tsai Ing Wen of the Democratic Progressive Party (DPP) in what was predicted to be a tight election battle.

The outcome of the Taiwanese election is set to have a significant impact not only on the relationship between Taiwan and the mainland but also on Sino-US relations. In an era when the US is reasserting itself in Asia and seeking greater commitment from its allies and friends in the region, any increase in tensions between the two great powers arising out of their differences over Taiwan would also be felt across Australia's neighbourhood.

It was predicted that Ma's re-election would see him continue to propel Taiwan along a path that has seen the island forge its strongest relationship with the mainland since the end of the civil war in 1949. Tsai on the other hand aimed to pull Taiwan back from its expanding economic integration with the mainland and refused to recognise the '1992 consensus'—a verbal agreement between Taiwan and the mainland which the People's Republic of China (PRC) sees as an essential prerequisite for continued cross-strait negotiations.

In the lead-up to the election most analysts agreed that if Tsai won, relations between Taiwan and the mainland would cool, but they were divided on just how frosty things would get. Still, no matter who won the election it seemed unlikely that cross-strait relations would regress to the low point of 1996 when the US sent warships to the Taiwan Strait after the PRC test-fired missiles near the island in the lead up to Taiwan's first presidential elections. But under Ma such a scenario is remote.

Yet the Taiwan question is far from 'case closed'. Despite warming relations between Taiwan and the mainland, the PRC has an estimated 1,500 missiles pointed at the island, and has not renounced its threat to use force should the Taiwanese declare independence. Taiwan continues to buy weapons to offset any such coercion from the mainland, recently signing a US\$5.85 billion arms deal with the US.

Nevertheless, with the election decided a new set of questions is being raised. In particular, where will current developments ultimately lead—will closer economic ties lead to closer political relations? Are we likely to see a discussion of ‘hard’ political issues—those issues that go to the heart of eventual reunification? And what might such developments mean for the region?

Will closer economic ties lead to closer political ties?

It is a certainty that Ma will continue to pursue closer economic ties with the mainland. To date bilateral relations, conducted through the Association for Relations Across the Taiwan Straits (ARATS) of Beijing and the Straits Exchange Foundation (SEF) of Taipei, have largely centred on economic and technical matters with political issues expressly off the table.

Since the two organisations resumed dialogue after Ma came to power in 2008 they have held six rounds of talks which have led to the signing of sixteen agreements. The most important of these agreements to date has been the Economic Cooperation Framework Agreement (ECFA) signed in 2010. The ECFA opened up trade liberalisation between the two parties cutting tariffs on hundreds of goods.

China sees this increased cooperation across the Taiwan Strait and strengthening economic ties as a pathway to further political integration, ultimately facilitating Taiwan’s reunification with the mainland. But improvements in political relations across the Taiwan Strait have not always accompanied progress on economic matters. Nor, more strangely, have political tensions always obstructed a closer economic relationship: economic ties between the mainland and Taiwan have in fact sometimes progressed rapidly at times when the bilateral political relationship has been tense.

Notably, despite the fact that former President Chen Shui-bian provoked a tense relationship with the mainland due to his aggressive pro-independence stance, he introduced a number of reforms that helped China to surpass the US and become Taiwan’s largest trading partner in 2003¹.

So the history of dialogue between China and Taiwan illustrates that a high degree of economic integration provides no guarantee of peaceful relations between the two parties. But the current unprecedented level of economic integration across the Taiwan Strait—as manifested in developments like the ECFA—does provide a considerable incentive for both sides to maintain peaceful relations. Good economic ties are certainly enhanced by good political relations and vice versa.

What about the ‘hard issues’?

In the immediate term it seems unlikely that Beijing will push to put ‘harder issues’ on the negotiating table. At least two key issues constrain the two parties from entering into a dialogue about their political relationship and Taiwan’s status: (1) Taiwanese public resistance to any change in the status quo and (2) the leadership transition in China.

In Taiwan, the public mood is not conducive to a more assertive approach from China for unification. While the election result would suggest that the Taiwanese people are embracing closer economic ties with the mainland, polling consistently shows that a substantial majority (around 70%²) do not support unification. Most Taiwanese are content with the status quo, seeking neither independence nor unification.

In the lead up to the election Ma supported the least controversial option—he declared that he would not discuss unification during his time in office nor would he seek independence. But Ma also badly misjudged public sentiment in floating the idea that Taiwan would sign a peace accord with China during the next decade.

After opinion polls reportedly showed that voters were not keen on the idea (believing it would not stop China from attacking Taiwan³), Ma conceded that the conditions were not ripe for such a deal to proceed and he would not pursue it during his second term.

Although Ma had a clear victory over Tsai, observers warn that the election result, which saw Ma and his party returned to power with a reduced majority, sends a message to Ma. In particular, he cannot ignore voter concerns about the uneven nature of the economic gains achieved as a result of his push for greater economic ties with the PRC. Ma's policies and Taiwan's strong economic ties with China are blamed for widening the gap between rich and poor in Taiwan while offering most benefit to big business.

Tsai was able to capitalise on those concerns and voters' unease about the costs of Ma's policies especially in terms of Taiwan's economic and political independence. In campaigning on these issues Tsai not only revived the DPP after their hammering in the 2008 poll but showed they are still a force to be reckoned with, certainly one capable of winning future elections.

The other key variable affecting the course of cross-strait negotiations is the leadership transition in China. In late 2012 Hu Jintao will step down as General Secretary of the Communist Party of China (CPC) Central Committee and will step down as President in early 2013. Along with Hu, Premier Wen Jiabao and five other members of the nine-member Politburo Standing Committee—the most powerful decision-making body in China—are also set to retire.

Most observers believe that China is unlikely to make provocative or contentious decisions during the leadership transition period. Some go so far as to suggest that decision-making will be paralysed. In any case Beijing is likely to avoid conflict with Taiwan during the leadership transition to ensure that this transition is orderly.

But in the longer term, especially given China's growing economic power and broader global influence, it seems inevitable that China will push for the harder issues to be discussed during bilateral negotiations. Some Taiwanese officials have publicly acknowledged as much. The *Taipei Times* quoted the director of Taiwan's National Security Bureau as stating that cross-strait relations were due to enter 'deeper waters' now that the two sides had dealt with many of the 'easier' issues⁴.

Vice President Xi Jinping is Hu's most likely successor. Vice Premier Li Keqiang is likely to succeed Wen although he faces a handful of challengers. The new generation of leaders (the 5th generation) are predicted to be more assertive in pursuing China's diplomatic and political interests.

For now however, Xinhua, the Chinese government's official press agency is stating that Ma's re-election 'may represent a new opportunity for the development of the cross-Strait relations' while also warning that 'the 'Taiwan independence' stance will continue to haunt the cross-Strait relationship development'⁵. The door to conflict is still ajar.

The impact on Australia and the region

In an interview with CNN two days before the Taiwanese election, Foreign Minister Kevin Rudd suggested that a DPP win would raise tensions in the region, whereas Beijing would interpret a KMT victory as 'business as usual'⁶. Australia too, was breathing a sigh of relief when Ma won on 14 January.

'Business as usual' across the Taiwan Strait gives Australia a little more space to continue its pursuit of a complicated high wire act—balancing its relationship with its most important ally (the US) on the one hand and its most important trading partner (China) on the other. This is a balance that became more tenuous recently following

the US–Australian agreement to deploy up to 2,500 US marines for training in northern Australia—a move which China warned perpetuates a ‘cold war mentality’.

Taiwan remains a thorn in the side of the US–China relationship; heightened tensions across the Taiwan Strait usually translate into heightened tensions between the US and China. Differences between the two powers over Taiwan typically result in uncomfortable questions for Australia: in particular would our alliance with the US lead us to support them in any conflict with China to defend Taiwan?

For the moment at least, the issue isn’t being forced and Australia is unencumbered, as Rudd says in ‘chart[ing] a course through the middle’⁷ or maintaining ‘an ally in Washington and a friend in Beijing’. At the same time Australia is seeking to ensure that it is not forced to play its hand, Rudd has declared his desire to develop a ‘Pax Pacifica’ because ‘the rest of us in Asia do not simply see ourselves as collateral damage if it all goes wrong [between the US and China]’⁸.

But there are signs that the US and China want to hose down any potential conflict over Taiwan. When Taiwan negotiated a \$5.85 billion arms deal with the US in September 2011, China summoned the US ambassador for a dressing down and postponed some joint military exercises as well as a planned visit to China by Admiral Robert Willard, Commander of US forces in the Pacific.

But China did not cease military to military relations with the US as it has done after previous arms sales. The two parties went ahead with the planned 12th round of US–China Defence Consultative talks in December during which they discussed rescheduling some of the cancelled military exchanges. People’s Liberation Army (PLA) General Staff’s Deputy Chief Ma Xiaotian reportedly stated ‘the fact that the consultations took place as scheduled shows that both countries are being sincere about maintaining military exchanges’⁹.

Washington is also clearly taking a more measured approach on the Taiwan issue, as part of the arms deal President Obama decided not to sell sixty-six F16 C/D aircraft to Taiwan, choosing instead to upgrade the existing fleet of F16 A/B aircraft. Controversially, the Americans also informed the Chinese of the impending arms sale prior to signing the deal with Taiwan; a move that some US senators believe breached America’s obligations under the US’s Taiwan Relations Act and the related ‘Six Assurances’.

While the ‘Taiwan question’ is far from resolved, the main players in any potential conflict over the island appear to be holding to their expressed desire to maintain peace and security in the region. All realise, given their extensive economic ties and the rise in China’s military might, that the stakes are much higher than they have ever been. It is in everyone’s interest that diplomacy wins the day and Ma’s election victory buys us a little more time to find solutions acceptable to all.

Notes

- 1 D Chen, *Liberal Peace Across the Taiwan Strait? The US Strategic Ambiguity Policy in the Era of Economic Cooperation Framework Agreement (ECFA)*, American Political Science Association; US Department of State 2011, *Background note: Taiwan*, Bureau of East Asia and Pacific Affairs, update of 7 July 2011. <http://www.state.gov/r/pa/ei/bgn/35855.htm>.
- 2 See for example Global Views Survey Research Centre, *Survey on President Ma Ying-jeou’s Approval Rating and People’s views on the Unification-Independence Issue*, 25 April, 2011. http://www.taiwansecurity.org/2011/GVMaApproval_Independence-042511.pdf

- 3 Li Shu-hui, 'Peace Pact Polemic: Peace accord would not stop China attack: poll', *Taipei Times*, 22 October 2011.
- 4 R Chang, 'Cross-strait talks entering deeper waters, NSB says', *Taipei Times*, 25 October 2011.
- 5 Xinhua, 'Ma's re-election opens new chances for peaceful cross-Strait relations', *Xinhua*, 15 January 2012.
- 6 CNN, 'The Hon Kevin Rudd, MP, Australian Minister for Foreign Affairs, Interview with Jim Clancy', *CNN World Report*, 12 January 2012 (transcript).
- 7 G Kitney and J Kerin, 'Rudd: man on a global mission', *The Australian Financial Review*, 2 December 2011.
- 8 K Rudd, *The prospects for peace in the Pacific: The future of the expanded East Asia Summit*, (Speech to the Asia Society), 13 January 2012. http://www.foreignminister.gov.au/speeches/2012/kr_sp_120113.html.
- 9 Xinhua, 'China, US Hold Defense Consultations on Controlling Risks', *Xinhua News Agency*, 7 December 2011.

About the author

Dr Roslyn Richardson is a Research Associate at ASPI.

About Policy Analysis

Generally written by ASPI experts, the **POLICY ANALYSIS** series is provided online to give readers timely, insightful opinion pieces on current strategic issues, with clear policy recommendations when appropriate. They reflect the personal views of the author and do not in any way express or reflect the views of the Australian Government or represent the formal position of ASPI on any particular issue.

ASPI

Tel + 61 2 6270 5100

Fax + 61 2 6273 9566

Email enquiries@aspi.org.au

Web www.aspi.org.au

© The Australian Strategic Policy Institute Limited 2012

This publication is subject to copyright. Except as permitted under the *Copyright Act 1968*, no part of it may in any form or by any means (electronic, mechanical, microcopying, photocopying, recording or otherwise) be reproduced, stored in a retrieval system or transmitted without prior written permission. Enquiries should be addressed to the publishers.

Notwithstanding the above, Educational Institutions (including Schools, Independent Colleges, Universities, and TAFEs) are granted permission to make copies of copyrighted works strictly for educational purposes without explicit permission from ASPI and free of charge.