The 2012 Taiwan Election: Off and Running

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As ECFA came into effect over the past few months, with obvious benefit for many sectors of the Taiwan economy, the center of attention shifted to Taiwan’s 2012 presidential election, now scheduled to be held for the first time alongside legislative elections on January 14. At this stage, less than six months before votes are cast, many public opinion polls show a very close race between the incumbent, President Ma Ying-jeou of the KMT, and the DPP nominee, party chair Tsai Ing-wen. This reflects, among other things, the inability of the Ma administration to gain solid support so far for a number of its policies and credit for its successes. At the same time, the reality is that the economy has continued to improve significantly in 2011 following a banner year in 2010, and there have been visible effects on production and employment. Thus, whether the DPP will be able to sell the majority of voters on its argument that only the rich and powerful are benefiting under KMT rule remains an open question. Indeed, as this essay was in preparation, and for whatever value one assigns them at this early date, while some polls even showed Tsai with a slim lead, a number of others suggested that Ma was beginning to pull away from his DPP challenger.

Tsai has tended to emphasize domestic economic and social matters, on which she thinks Ma is most vulnerable. Still, cross-Strait issues will count heavily in the election. There, as one poll seemed to reveal, while people in Taiwan appear nervous about the Ma administration being too close to the Mainland, simultaneously they worry that the DPP is too closed to it.1

Quite naturally, Taipei’s cross-Strait policy after May 2012 is a principal concern of the Mainland. Although the PRC continues to have some complaints about the Ma administration, its concerns about the DPP’s support for “Taiwan independence” and its refusal to embrace the concept of “one China” are far more serious.

While there is no question, therefore, that the Mainland favors Ma’s reelection, it is trying to walk the delicate line between staying out of the election, on the one hand, while making clear the potential costs of a DPP victory, on the other. Concerned that the seriousness of its message is not getting through, the Mainland has been sending out increasingly explicit signals that any administration in Taipei that does not oppose “Taiwan independence” and embrace the “1992 Consensus” (or some equivalent formulation affirming “one China”) will find it hard to do business across the Strait.
That said, Beijing must wrestle with the very real possibility of a Tsai victory and the prospect that freezing cross-Strait relations could ultimately redound to the detriment of the PRC’s long-term efforts to woo Taiwan toward peaceful reunification. So it has tried to offer alternative formulas that it hopes would appeal to the DPP while still preserving the PRC’s basic line on “one China.”

Much of this essay is focused on this issue and on the differences between the DPP’s approach and that of the Ma administration.

There has been measurable improvement in U.S.-PRC military-to-military relations in recent months, but, as signs of an impending announcement of significant U.S. arms sales to Taiwan have grown, senior Chinese officials, including senior PLA officers, have stepped up their warnings of a renewed disruption of relations if Washington makes further advanced arms sales.

This has stimulated some American analysts to suggest that the United States either should or would pull back on its support for Taiwan. While this line has garnered attention in both Taipei and Beijing, there has been no sign of any change in the U.S. approach.

Advancing Cross-Strait Relations

From early on, various sectors of the Taiwan economy benefited from the opportunities that ECFA presented after the “early harvest” list went into effect on January 1, 2011. Moreover, to consolidate and expand ECFA’s effects, at the first meeting of the ECFA implementing body, the Cross-Strait Economic Cooperation Committee (CSECC) in late February, six working panels were created to address merchandise trade, services trade, investment guarantees, dispute settlement mechanisms, industrial cooperation, and customs administration cooperation. Seeking to get a jump start, the first round of talks on merchandise trade, services trade, and dispute settlement convened in March and, in the meantime, Taiwan reportedly set up a “cross-Strait industry deployment task force” to help Taiwan enterprises promote industry exchanges and explore business opportunities created under the PRC’s 12th Five-Year Economic Plan, which for the first time contained a dedicated provision to attract Taiwan business interests.

Although SEF and ARATS shied away from addressing the establishment of their own branch offices on the other side of the Strait, they did agree to help trade and business associations from each side to establish representative offices, which they hoped would take place by late summer.

Seeking some greater “reciprocity” in the arrangements, the PRC commerce minister had urged Taiwan to consider importing from the Mainland agricultural products that it already imports from other countries, and Taiwan’s lead delegate to the CSECC meeting
initially indicated that such a possibility could be “further discussed.” However, a month later, Taipei (apparently at President Ma Ying-jeou’s personal direction) turned down the proposal, presumably because of its political sensitivity on the island. There are some indications, however, that this issue may be resurrected by the PRC side.

Following the February meeting, representatives designated an investment protection agreement, which had proved too difficult to sign at the sixth SEF-ARATS meeting in December, as a “priority topic” for the seventh meeting and they expressed optimism that it could be signed on that occasion, along with an agreement on nuclear safety cooperation. Other issues that some people thought could be put on the table of the next round included the agreements on goods and services trade and a dispute-resolution mechanism, but those will not be considered for now.

From the time the CSECC was established, however, concerns were raised about the ease with which follow-on agreements could, in fact, be concluded. Reports circulated that there would be only one high-level SEF-ARATS meeting in 2011, to avoid having a meeting late in the year that could become entangled in the leadership transition processes on both sides. This curtailed schedule automatically limited the opportunities to make progress. Moreover, as spring passed, uncertainty grew about scheduling even a single meeting as agreement on details of an investment protection accord remained elusive. Nonetheless, an encouraging statement in early August by TAO Director Wang Yi that experts talks had concluded and that only a few details remained to be ironed out was reminiscent of his appropriately upbeat statements before final agreement on ECFA in mid-2010, and was perhaps the most solid indicator that Beijing was on the brink of coming to terms. Even so, Taiwan officials continued to warn that important differences over personal safety provisions and a dispute arbitration mechanism remained to be resolved and that agreement was not yet in sight. In early September, Taipei’s minister of Economic Affairs said that while some progress had been made, he was “cautious” about the prospects for agreement, and he explicitly declined to express himself as “optimistic” about the possibility of signing a cross-Strait investment protection pact by the end of the month. A statement by ARATS head Chen Yunlin a couple of days later that “sooner is not necessarily better, it’s the results that count,” led many in Taipei to conclude he was signaling that a meeting by the end of September was not likely.

Other post-ECFA agreements also seemed elusive. For example, while another round of discussions on agreements on trade in goods and services took place in early August, the results reportedly were minimal and amounted mainly to “exchanging views in principle.” Indeed, many people had predicted early on that a services negotiation, in particular, would be complicated and could take up to two years.

Although the ECFA accord itself obviously favored Taiwan interests, doubts were now voiced about whether such preferential treatment would continue into the future. Among other things, eyebrows were raised by reports that, in his opening address to the CSECC in February, the Mainland’s co-convener had not made the usual references to “profit concessions” to Taiwan, but had focused instead on equality, mutual understanding, and mutual concessions.
With suggestions from various Beijing quarters that the SEF-ARATS track could come to a screeching halt if the DPP won the presidential election next January and failed to embrace “one China” (discussed further below), questions arose about whether the more difficult implementing agreements might ever be concluded.

This prospect was viewed with some concern in Taiwan, as most observers believe that cross-Strait trade and investment has been a key element in Taiwan’s remarkable economic comeback throughout 2010 and into 2011. The DPP continued to warn against overdependence on the PRC and to charge that Ma was oblivious to the dangers involved, but the president responded that he was very aware of the potential risks and was taking the necessary steps to avoid the pitfalls. He agreed that it was important to diversify Taiwan’s markets and that Taiwan should not put all its eggs in one basket. But, as he put it, “we can’t really leave no eggs in one of the largest baskets of the world.” At the same time, in response to charges that his administration had overseen a process of increasing economic dependence on the PRC, Ma pointed out that while Taiwan’s export dependence on the Mainland had risen from 24 percent to 40 percent under the Chen Shui-bian administration, it had only risen another 1 percent since he took office.

International space

Despite uncertainty about the future, cross-Strait economic relationships continued to deepen, and Ma linked that, and the overall improvement in cross-Strait relations, to other aspects of Taiwan’s improved international position. He reported “some progress” in negotiations with Singapore on an economic cooperation (i.e., FTA-like) agreement and Taipei let it be known that exploratory talks about the feasibility of similar agreements were under way with the Philippines and India. Meanwhile, a mutual assistance customs pact with India came into effect in August (following earlier such pacts with the United States, Philippines, and Israel), and Taiwan revealed that it intended to study an FTA-like economic partnership agreement with Indonesia.

Moreover, a delegate from Taiwan (“Chinese Taipei”) was elected as vice chairman of the International Scientific Committee for Tuna and Tuna-like Species (ISC), the first time a person from Taiwan has held a leadership position in an international fisheries organization. In addition, the foreign ministry dropped broad hints that there was something going on behind the scenes that would permit Taiwan to gain “meaningful participation” in the UN Framework Convention on Climate Change (UNFCCC) and the International Civil Aviation Organization (ICAO) within a year.

But the dominant theme of public discourse on this subject in recent months has been the problems Taiwan has had in preserving and expanding its international space.

AMSA One dispute that turned out well for Taiwan, but which generated a lot of heat in the meantime, involved the Asian Medical Students’ Association (AMSA). In February, the PRC delegation to AMSA, though only an observer, reportedly insisted that Taiwan’s representation title be changed from “AMSA-Taiwan” to “AMSA-Taiwan, China.” In the end, AMSA agreed not to change the designation, but before this decision was made...
the controversy escalated to the point that Taipei’s ministry of education intervened, and the press gave the issue prominent play.30

SEACEN  A less satisfactory outcome was achieved after the Board of Governors of the Conference of South East Asia Central Banks (SEACEN) informed the Central Bank of the Republic of China (Taiwan) in late January that its name in the organization would henceforth be “Central Bank, Chinese Taipei.” Here, as in many other cases, the precipitating event was that a PRC entity—the People’s Bank of China—had completed procedures to become a conference member and, as it was in the process of joining, it pressed the host organization to make the change.31

NEUROBIOLOGICAL RESEARCH  A controversy arose in late summer over identifying scientists engaged in collaborative research. For what was described as the first time in nearly 15 years of scientific collaboration across the Strait, Mainland scientists insisted that their Taiwan co-authors be identified as coming from “Taiwan, China.” As this essay was heading for publication, no resolution had been announced to what was a very disturbing development for Taiwan scientists.32

WHO  The politically most significant issue arose in May, when DPP legislator Kuan Bi-ling made public an internal World Health Organization (WHO) memorandum from September 2010 on the issue of Taipei’s participation in the International Health Regulations (IHR).33 The memorandum, which was to be treated as “confidential” and only circulated on an “as needed” basis within WHO—and explicitly not outside WHO—instructed all WHO organs to refer to Taiwan in the IHR context as “the Taiwan Province of China.”34

The issue is not new. When the PRC acceded to the International Health Regulations in May 2007, it explicitly said that its accession included the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and “the Taiwan Province.”35 In fact, at that time, the PRC’s claim to represent Taiwan was extensively reported, and the Chen Shui-bian administration rejected both Beijing’s claim to represent Taiwan in the IHR and its designation of Taiwan as a “province.”36

Two years later, when Beijing claimed credit for the WHO decision to have IHR deal directly with Taiwan, the Ma administration rejected the claim.37

Of course, the fact is that the establishment of direct IHR communication with Taiwan in early 2009 was with PRC concurrence, but despite the language of the 2007 PRC adherence letter, the WHO did not refer to Taiwan as a “province of China” at that time. Rather it still seemed to be governed by the practice adopted in the context of the May 2005 PRC-WHO Secretariat Memorandum of Understanding. There, it was determined that the WHO internally would use the (also unacceptable, but somewhat less provocative) term “Taiwan, China.” However, recognizing the sensitivity of that term in Taiwan, WHO officials were instructed that, to avoid causing an incident, in communications with experts from the island they should skirt the issue whenever possible.38
Why the WHO Executive Director’s office issued a memo in September 2010 about IHR terminology is unclear, but people in Taiwan—including Ma—pointed the finger of responsibility at Beijing. Although not dispositive, the WHO memo suggests there had been a recent PRC communication about this issue. However, the PRC State Council Taiwan Affairs Office denied Beijing had anything to do with the memo, saying this was “a WHO matter.” So far no reports have surfaced of the WHO using “the Taiwan Province of China” openly in publications or official WHO statements, as the memo directed.

It is perhaps worth noting that other UN agencies also use the terminology “Taiwan Province of China.” The IMF does so, for example. As does ICAO. And while it is not clear how the UNFCCC itself handles Taiwan, in the PRC’s initial report to that body—carried on the UNFCCC website, Beijing asserted its position that Taiwan is not just a province of “China” but a province of the “People’s Republic of China.” Nonetheless, Taiwan’s relationship to the IMF and other UN bodies at this point is not the same as it is to the WHO/WHA, so, while still offensive to people in Taiwan, the use of such terminology by those organizations has not (yet) generated the same sort of political controversy within Taiwan that the WHO practice has.

Under Ma’s direction, the Taiwan delegate to the 2011 WHA protested both in writing (fairly strongly) and orally (substantially less directly), but he argued against proposals that Taiwan boycott the WHA on the grounds that “Our voice can only be heard if we are there to take part.” He pointed out that he addressed the entire assembly under his ministerial title representing “Chinese Taipei” (an opportunity afforded less than half the delegations) and that Taiwan spoke at 14 of the WHA’s 17 technical sessions.

Although the administration at first tried to downplay the issue, stressing the positive aspect of attending the WHA meeting for the third time under the name “Chinese Taipei” and arguing that the terms of participation meant Taiwan was “on an equal footing” there with the PRC, a firestorm soon erupted. As a consequence, Ma hastily convened a press conference specifically to protest the WHO’s position on terminology (“the ROC absolutely will not accept such an unfair and unreasonable treatment, nor will it accept being treated in a duplicitous manner”) and to blame the PRC (“What has happened in the WHO is clearly the result of pressure exerted by mainland China”). Ma said that he had not only directed that a protest be filed with the WHO, but that he had also lodged a “serious protest” with Mainland authorities. He said that the WHO nomenclature issue was an “unacceptable affront” to the people of Taiwan and was “highly detrimental” to the future development of cross-Strait ties.

In step with this newly toughened line, the Government Information Office (GIO) spokesman said that WHO had denigrated ROC sovereignty and jeopardized the interests of the people. Moreover, Ma told a Taiwan business delegation, “[t]he government will also take this matter up with Mainland China. We will not rest until the issue has been resolved and Taiwan’s sovereignty and security have been safeguarded.”
That being said, having made his position clear, Ma then took a strategic decision not to allow the issue to escalate to the point that it affected overall cross-Strait cooperation. Accordingly, after ordering the protests, he then lowered the level of his own rhetoric and reemphasized the larger point for him, namely, that Taiwan’s participation in WHA—“after a hiatus of 38 years”—is a victory for Taiwan. Going further, and laying down an implicit challenge to the DPP, he said that his administration would “copy our experience of participating in the WHA and join more international organizations on the basis of that model.”

Unsurprisingly, the DPP has taken the administration to task for suggesting this is a “good model.” Despite the fact that she has a certain vulnerability regarding the Chen administration’s handling of the same problem, Tsai Ing-wen joined in that criticism. She framed her remarks in terms of a charge of administration incompetence that she has frequently made, asserting that the Ma government did not have a good enough grasp of the issue and criticizing the president for acting slowly and with ambivalence. She declared, “If this becomes Taiwan’s method of participating in international organizations, it will have a deep impact on our country’s global position and international space.” Former Vice President Annette Lu Hsiu-lien went further. She said that the WHO incident showed the administration to be diplomatically inept as well as generally incompetent. Moreover, she asserted, if the administration had purposely sat on the issue and not disclosed it publicly until forced to do so by the DPP, then this was “even more despicable.”

But neither Lu nor Tsai raised the level of rhetoric to the heights reached by Kuan Bi-ling, who released the memo in the first place. Kuan charged, “There’s enough evidence to show that this is the result of the Ma administration’s secret diplomacy with China” (馬政府跟中國秘密外交談判). If this internal WHO memo had not been exposed, she said, the Taiwan people would not have any idea that they were “sold out by this secret diplomacy.” She called on Ma to do the only thing that would prove the sincerity of his promise to protest to China “in the most strenuous terms,” and that was to ask Beijing to instruct the WHO to issue another memo voiding the first one.

Harping on the charge that the KMT had reached secret deals with Beijing, other DPP legislators said that when the more broadly used term “Taiwan, China,” entered into the WHO lexicon in the May 2005 PRC-WHO Memorandum of Understanding, it was “as a result of” negotiations between then KMT Chair Lien Chan and Hu Jintao that April.

Ma administration officials went beyond defending their own behavior; they fired back. A deputy foreign minister stated that, while the Chen Shui-bian administration had protested the label “Taiwan, China,” it had in fact attended 18 WHO technical conferences under that designation during the course of its term of office. Ma weighed in personally, aiming his shots directly at Tsai Ing-wen, writing in his weekly blog that the DPP administration had participated in WHO activities on six occasions while Tsai
was vice premier. “They were in a worse position than us, but they did not protest,” he wrote. 64

Two other WHO issues roiled the waters in this period. First, in accordance with what gatekeepers at WHO explained was a “special regulation” put into effect this year, civic groups from Taiwan were denied access to the WHA meeting for the first time in over a decade if their only form of identification was an ROC passport. 65

Second, Kuan Bi-ling made public excerpts from a different WHO document (apparently obtained from a WHO intranet posting 66) entitled “WHO Member States and Associate Members.” A section headed “WHO Western Pacific Region” includes instructions about how to label Hong Kong, Macau, and Taiwan. The document said to avoid use of the name “Taiwan”: “This area is considered, within the United Nations system, as a province of China, under the jurisdiction of the Chinese government in Beijing.” It goes on to say that “in general” one should refer to the area as “Taiwan, China.” The term “Chinese Taipei” is reserved for use only in connection with the World Health Assembly, to which “that entity” is invited as an observer. 67 Kuan charged that this was further evidence of Ma Ying-jeou’s “pro-China” approach and secret diplomacy, and that it revealed to the entire world that “Chinese Taipei” is subordinate to the Mainland, putting the lie to Ma’s assertion that taking part in WHA represented an opportunity for Taiwan to participate on an equal basis with its PRC counterpart. 68

Although in the intervening weeks there has not been much public attention paid to this issue, it may resurface at some point in the 2012 campaign agenda. To whose benefit is not clear, however.

Seizing the DPP Banner, Envisioning the Future

In what at times became a highly acerbic process, the DPP utilized a presidential nomination procedure that struck many people (even some DPP activists 69) as rather bizarre. The party undertook a two-day telephone poll, with interviewers asking respondents to pit each of three DPP contenders against Ma Ying-jeou, rather than against each other. Whoever scored the highest ratings against Ma would be declared the winner.

Predictably, the results for the two leading contenders, DPP Chair Tsai Ing-wen and former premier Su Tseng-chang, were very close. Tsai emerged with an edge over Ma of 42.5 percent vs. 35.04 percent, and Su with an edge over Ma of 41.15 percent vs. 33.79 percent. 70

Despite Tsai’s razor-thin margin of victory, Su quickly conceded and called for party unity. Indeed, everyone agreed that any serious disarray—all too typical of the DPP in the past—would spell certain defeat in the election. This no doubt contributed to the appointment of most DPP leaders to exalted-sounding positions in the campaign, albeit with unclear operational mandates. 71 These appointments were seen by some as signaling a modicum of reconciliation, especially between primary contest competitors Tsai and
Su. Clearly this was the intended message. Still, we have seen that, given not only different judgments about some key issues but also well-known personality clashes at the party’s top levels, intra-party contention is not completely avoidable.

This was already evident from the less than fully cooperative atmosphere created during the period leading up to the nomination. Annette Lu charged that the complete reliance on public opinion polls to determine the standard bearer rather than relying on a process within the party was inherently skewed against her. She labeled the party the “Democratic Regressive Party” and charged that the emphasis on “unity” without dealing with real policy differences was akin to techniques used by Adolf Hitler and Chiang Kai-shek. In late summer, she repeated her complaints against the lack of transparency over the selection of a vice presidential running mate for Tsai.

Moreover, an effort apparently spearheaded by Tsai’s supporters to get people to respond to pollsters by only choosing her as a preferred candidate against Ma, while declining to respond to the polling question about Su vs. Ma, was seen by the Su camp as an unscrupulous attempt to tilt the playing field, ensuring Tsai got a higher “vote” against Ma than Su did.

And although, as noted, Su Tseng-chang offered full support to Tsai after the nomination was decided, he showed more than a little testiness when they met for the first time nearly a month after the nomination was decided. One paper described the atmosphere as “explosive.” Tsai sought to make light of any differences, saying politicians in the Green camp are “notoriously straightforward” and the exchange would have no impact on the unity within the DPP. Still, it was clear that there was further work to do to overcome hard feelings.

Later on, tensions within the party broke out over DPP nominations for LY at-large seats, with some party lawmakers complaining that factional compromises were being given more weight than other, more-legitimate concerns. For example, “pro-democracy” activists charged the list of nominees failed to represent underprivileged groups. Intramural bickering—what one report labeled “near-constant internecine fighting”—continued to plague the party, as Tsai called for party cooperation.

On the other hand, one has to wonder whether Tsai will be helped or hurt by the public endorsement of a long-time independence advocate who still identifies “removing the ROC political system” as his long-term goal and who avows that he is “very optimistic” that “the Taiwan independence movement will succeed some day.”

Tsai Seeks to Set the Election Agenda . . .

Between the time in early February when she first indicated that she was contemplating running for president and her formal declaration of her candidacy a month later, Tsai took several steps to frame her campaign. On the negative side, she continued to berate the Ma administration for its allegedly pro-China, sovereignty-eroding policies and for ineffective and inequitable economic and social policies. But she also sought to shape a
positive agenda. Among the measures designed to do this, she inaugurated a DPP think
tank under a revamped existing DPP body, the New Frontier Foundation, financed by
funds provided to her based on the votes she received in the November 2010 New Taipei
mayoral election contest.

The think tank, to be headed by DPP veteran and former party chairman Wu Nai-jen,
with the active oversight of DPP International Department head Bi-khim Hsiao, is to be
“practical and operational,” Tsai said, not an “academic institution.” It is comprised of an
Economic and Social Affairs Research Center (經濟與社會研究中心) and a Security and
Strategy Research Center (安全與戰略研究中心). Its purpose is to help the DPP move
beyond its traditional focus on contesting elections to develop policy recommendations
across the spectrum, from how to deal with the Mainland to measures to promote
development and assure equitable wealth distribution. As Tsai Ing-wen put it in her
statement at the inauguration of the think tank, “the main objective of this think tank is to
create policy blueprints that are even more sophisticated and comprehensive, with
foresight and vision.”

In that speech, Tsai hit on domestic themes that were to become mainstays of her
campaign: economic prosperity focused on employment and income (rather than rates of
growth), social and economic justice, public welfare, environmental protection and social
security. (She later identified the “class issue” and the “wealth gap” as the “biggest
challenges” facing Taiwan and the need to deal effectively with globalization as the
“common denominator” that accounted for these ills of society, which, she said, the DPP
was uniquely positioned to deal with effectively.)

In terms of Taiwan’s external relationships, Tsai placed cross-Strait issues into the
broader context of a strategy for interacting with “Europe, the U.S., Japan, China and
other Asian countries.” Acknowledging the “particular importance” of “handling well”
the issue of relations with Beijing, she nonetheless argued:

When facing this issue, we cannot act as the KMT or the CCP, limiting
ourselves to cross-Strait structures or trapping ourselves in historical
frameworks. Even more, we cannot allow “political preconditions” to
narrow our space for handling cross-Strait matters. Cross-Strait issues
must involve international strategic thinking, yet it is also an extension of
domestic policy issues. If we continue to revolve around the cross-Strait
dimension only, it would not be possible to fundamentally resolve matters
with China.

Tsai reiterated in a number of different ways that “the cross-Strait issue” is not
merely a bilateral matter between Taipei and Beijing, but also an issue with implications
for the global and regional strategic balance and that Taiwan “must utilize the
international multilateral system as a framework for interaction [with the Mainland].” At
the same time, she asserted that “the DPP fully understands and identifies with the
importance of preserving stability and peace” across the Strait. But once again she placed
cross-Strait issues in a broader context, describing the preservation of peace and stability
not only as being for Taiwan’s own benefit but as “Taiwan’s international responsibility.”
Tsai repeated a theme that she had sounded before, one that DPP representatives continue to repeat in both public and private: the Ma administration has “even [gone] as far as making political concessions in exchange for economic benefits” (甚至於以政治退讓交換經濟利益). She amplified:

Regarding developments between Taiwan and China, the KMT’s approaches are “peace toward unification” [和而要統] and “peace with inevitable unification” [和而必統]. Over the past three years, in economic, political and diplomatic policy, the Ma administration has made Chinese identity and Chinese values its core.

As to how she would approach cross-Strait issues:

In contrast, the DPP’s position is that in developing relations with China, we must start with Taiwanese identity and Taiwanese values as core; the two sides across the Strait must maintain a relationship that is “peaceful but recognizing differences” [和而不同] and “peaceful and seeking commonality” [和而求同].

Taiwan and China are different in our histories, beliefs and values, political systems, and social identities. Yet Taiwan and China share common responsibilities and interests, which are to pursue a peaceful and stable relationship and to grasp the opportunity for prosperity and development. This is what we mean by “peaceful but recognizing differences” and “peaceful and seeking commonality.”

Therefore I appeal to China, as a large and powerful country, to re-examine the way for long-term development of cross-Strait relations upon this understanding [以此做為建構共識的基礎; emphasis added].

Stressing the importance of Beijing recognizing that Taiwan is a democracy, Tsai later argued that the past “had become history” and the Mainland should look forward because the DPP had a new leader and had become “more mature.” Still, in defining what a “feasible and viable” framework for talks would be, she said it would be one that did “not come at the expense of the party’s political values and principles.”

According to a media report, Tsai also said that in order to reap mutual benefits, China “has no choice” but to reexamine its Taiwan policy so that both sides can exchange views on an equal footing.

All that said, the DPP emphasized that none of Tsai’s remarks were to be taken as suggesting that cross-Strait relations would be ignored by a Tsai administration. When former Mainland Affairs Council Chairman (in the Chen Shui-bian administration) Joseph Wu seemed to emphasize to a Washington audience that cross-Strait relations would be given much less “weight” in a DPP administration, and that the existing cross-
Strait mechanisms would likely be replaced by the “Macau model,” under which negotiations take place on an industry-to-industry basis rather than under SEF and ARATS, the DPP quickly refuted this.

Somewhat dismissively noting that Wu had had missed the China policy discussion at the recently founded Security and Strategic Research Center and, moreover, that he was a researcher who did not represent the party, the party-affiliated think tank or the presidential candidate, the DPP spokesman put forward what the party clearly hoped would be seen as a positive and pragmatic approach:

[DPP spokesman] Lin Yu-chang pointed out the necessity for the DPP to face cross-Strait consultations with a healthy, pragmatic attitude. Chairwoman Tsai had repeatedly made clear that Taiwan and China should collaborate to pursue a peaceful relationship and opportunities for prosperous development with transparency and without political preconditions. Under Taiwan’s democratic system, alternating of political parties in power will become a regular phenomenon, and the DPP hopes that China will not modify the progress of bilateral exchanges because of changes in the Taiwan political situation.

In actuality, many people feel that Wu’s position may be where things would end up under a DPP administration and that Tsai’s chastising him was mainly designed to preserve her freedom to formulate and articulate her policy in her own way.

Perhaps as an example of this, when she was asked in this same timeframe about a new statement by Ma Ying-jeou concerning the necessity of adhering to the “1992 Consensus,” Tsai deflected the question, saying she had addressed the “1992 Consensus” many times. The two sides should not always look to the past, she said. Instead, they should look to the future to find durable common ground. Later, she spelled this out a bit more by returning to the standard argument that the DPP position about Taiwan’s future had been set forth in the 1999 party resolution.

Further adumbrating campaign themes in interviews, Tsai placed significant emphasis on the responsibility of her generation for Taiwan’s younger citizens, the under-40 generation, who, she said, face heavy burdens but have fewer opportunities than their elders.

Labeling the “1992 Consensus” a “fabrication,” Tsai said, “one China, respective interpretations’ will not be able to resolve conflict” in the Taiwan Strait; it is only useful for handling routine affairs. She did not embrace any of the substitutes for the “1992 Consensus” suggested by her DPP colleagues but said, rather, that dealing with cross-Strait relations “does not require sophisticated principle. It is a matter of power.” Given the fundamental imbalance of power between the two sides, Taiwan will run into trouble if it seeks to take advantage of these “principles” in cross-Strait relations. Thus, she said, the DPP proposed to handle cross-Strait relations under a multilateral framework, which will help Taiwan to benefit under the “rule of balance” that protects smaller participants. Asked what would happen if the PRC rejected the DPP approach, she echoed her remarks...
at the think tank inaugural: “As long as the DPP’s approach moves closer toward international expectation, the pressure will be on China’s side.”

Expounding on her view of leadership, Tsai said that there will not be another political “strong man” in Taiwan, elected because of a “pop star” image. “A good leader should have the ability to act and to think. He/she is not a performer, but should have basic understanding of each professional field. He/she must lead in substance and not just talk about principle. He/she must have the ability to make effective decisions.” In any case, the focus should not be solely on the leader, but on the team that leader pulls together.

When Tsai formally announced her candidacy in early March, she sounded many of these themes again, speaking movingly about the burdens of inequity experienced by many in Taiwan and the responsibility she felt for fulfilling the dreams of parents for their children, to give the next generation a renewed sense of trust and hope, a proud vision of the future. Putting this into a partisan context, she asserted that democracy and freedom had been “easily pushed aside because of our relationship with China.” Citing the “people’s collective hurt feelings,” she spoke of national dignity being trampled and sovereignty being handled with ambiguity by the current administration.

Still, others in the party insist that the DPP must approach the cross-Strait relationship more thoughtfully. Hsu Hsin-liang, co-founder of the DPP and twice its chairman, cautioned that cross-Strait policy is the party’s Achilles heel. He called for adjusting the policy to be more aggressive and clear-cut, but in a way that will make “economic voters” feel comfortable about casting their ballots for the DPP candidate. Similar concerns were expressed by other DPP members, who felt Tsai needed to be more “pro-active” in explaining the party’s cross-Strait policy in order to dispel public anxiety. In response, Tsai reportedly dismissed such concerns by citing a Citibank report that stated foreign investment banks were not worried about a significant change in cross-Strait relations if the DPP returned to power.

Later, in the wake of further criticism from within the party that she should stop being vague and ambiguous, she used almost indecipherable language in saying that such policies involve “professional levels” so they need to be handled and explained according to a “general direction.” They need to be done step by step, she went on, some able to be addressed only when ruling the country. Different things should be explained at different stages and on different occasions. Ostensibly rebutting KMT criticism of her approach to the Mainland as too vague, but perhaps also directing her fire indirectly at critics within the DPP, Tsai said, “in fact, those who consider the policy abstract and vague are either still thinking in a traditional way, or looking at it from their own viewpoint and refusing to accept any other possibilities.” “The most important principle,” she added, “is to maintain peaceful and steady relations.”

When the 10-year platform planks on cross-Strait economic and political/security relations were issued in late August, they did little to clarify things. Reiterating the more “modest” stance she had adopted over time, Tsai said that ECFA would be reviewed and
adjusted “if necessary.” On cross-Strait political relations, she dismissed the “1992 Consensus” as an “invention” that had no validity. Instead, she called for creation of an undefined “Taiwan consensus” to be achieved through democratic processes, and in the meantime she advocated maintenance the “status quo.”

Beijing reacted sharply, saying this position was a rejection of the “1992 Consensus,” and that it showed the DPP had not moved away from its position on “one country on each side” and its quest for “Taiwan independence.” As such, the Mainland could not accept it (大陆方面不能接受) and, once such a policy was implemented, cross-Strait consultations could not continue and cross-Strait relations would once more become turbulent (将导致两岸协商无法进行，两岸关系也会再度动荡不安). In refusing to accept “one China,” PRC officials said, Tsai was not maintaining the status quo but seeking to alter it in a fundamental way.

Tsai responded, in turn, that there were many “olive branches” in the platform and she urged the Mainland to review the DPP policy carefully and to look at the issue “in a larger context.”

As the DPP platform was being developed, Tsai had asserted that, to attract swing voters, the DPP would reinvent itself as a “moderate reformist” party. That is, the DPP “will neither refuse to change for the sole purpose of stability, nor insist on reform and forget about stability.” She reiterated that the party is not opposed to economic exchange with the Mainland, but only exchange that is carried out within the “normal framework” and fits with “international obligations in a multilateral system.”

One of the rising policy intellectuals in the party wrote an op-ed piece in a pro-DPP newspaper the day of Tsai’s first post-primary meeting with Su laying out the policy challenges for the candidate:

The DPP, though upholding the slogan of “safeguarding Taiwan’s dignity,” needs to provide effective solutions to tackle the challenge should it return to power. Simply criticizing the Ma government for “selling out Taiwan’s sovereignty” is not constructive. What is worse is that it would deepen Beijing’s mistrust and misperceptions of the DPP.

Tsai will have to address the following questions during her campaign: How would a new DPP government deal with a potential resurgence of diplomatic warfare? What is the bottom line on the number of allies that a DPP government would accept? How would it rejuvenate bureaucratic morale and discipline after the KMT government’s passive and defensive diplomatic goals? How would it transform Taiwan’s foreign policy? And most importantly, how would it strike a balance between meaningful participation in international organizations and safeguarding Taiwan’s national dignity?
While media attention was focused heavily on the DPP nomination contest, the president used the period to hone his own version of the campaign agenda and to lay out both his “strategic” vision for Taiwan’s future and his domestic goals.

In a videoconference address to an American think tank in early May, Ma spelled out his strategic design for building national security. Striking themes used on various occasions by Secretary of State Hillary Clinton, Ma cited the interrelatedness of diplomacy, development, and defense. Both affirmatively laying out his own positions and not so subtly seeking to turn the DPP’s charges on their head, Ma stressed the centrality of constructive relations with the Mainland. Enumerating the benefits Taiwan had reaped from cross-Strait trade and investment, tourism, law enforcement cooperation, and student exchanges, Ma asserted that much of this success was due to his administration’s “new approach” to relations with the Mainland:

Before I came to office, we had all witnessed the spread of instability, unpredictability and especially insecurity in cross-Strait relations. I had long recognized that cross-Strait relations required a new mindset, one that would emphasize the commonalities, take advantage of our shared interests, capitalize on our mutual opportunities and de-emphasize our political disagreements. I knew I had to break out of the cross-Strait deadlock for the sake of Taiwan’s economic future and national security. Hence, I championed a “three-no” policy of “no unification, no independence, and no use of force” under the ROC Constitution. This has changed the fundamental structure of, and created a “virtuous cycle” for, cross-Strait relations.

He then went on to say that, under this framework, he adopted the “1992 Consensus” as the “cornerstone” for cross-Strait negotiations, which, as discussed in our last essay, he termed “crucial” to paving the way forward, not only in cross-Strait relations, but also with respect to Taiwan’s relations with others. He pointedly warned that “[i]ntransigence, overconfidence, or unilateral pursuit of national interests could lead to a losing scenario for all relevant parties.” (More pointedly in a major interview with a leading Japanese paper he said: “Whichever political party wins the presidential election . . . relations over the Strait will stagnate if it does not support the ‘1992 Consensus’.”)

Ma took the occasion of his videoconference address to reaffirm the importance he attached to political and security relations with the United States. Having invoked his familiar theme of “Taiwan has the resolve to defend itself,” he nonetheless avoided his previous absolutist (and unrealistic) statement that Taiwan would never call on the United States to come to its aid. Instead, he not only once again called for U.S. help to “level the playing field” by providing advanced weapons systems such as the F-16 C/D and diesel-powered submarines, but he also stressed the critical nature of the American defense role in the region:
American presence in the very system it helped create decades ago is crucial to that system’s survival. In the end, only a strong U.S. commitment, backed by its credibility in East Asia, can guarantee the peace and stability of this region.

Moreover, going beyond his usual promise of “no surprises” for Washington, Ma pledged “full consultation,” the first time informed observers could recall him making such a formal commitment.

In a significant closing to his formal remarks, Ma implicitly laid down a challenge to Tsai Ing-wen, one that is sure to feature in any debate they may have:

My approach to Taiwan’s national security is based on my administration’s unwavering identification with the Republic of China and its Constitution. This is a common denominator for our vibrant democracy, which has a wide spectrum of political views ranging from those who prefer de jure Taiwan independence, to those who enjoy the status quo and to those who favor reunification with mainland China. Any deviation from or equivocation on this common denominator will only cause unnecessary uncertainties and risks in Taiwan’s domestic politics, cross-Strait relations and international politics.

In the more political context of his renomination acceptance speech in July, Ma was far more direct:

If the DPP persists in saying one thing while doing another, then it is engaging in duplicity and behaving like a hypocrite. During the DPP’s eight years in power, cross-Strait relations walked a dangerous tightrope. The DPP’s ambivalent attitude toward the Republic of China made it impossible to ease cross-Strait tensions. If the Democratic Progressive Party returns to power, cross-Strait relations will regress.120

Ma also used a press conference on the eve of the third anniversary of his inauguration in mid-May to lay out a further comprehensive statement of policy. Seizing the occasion to project himself and his ideas in southern Taiwan, generally considered a DPP stronghold,121 Ma spoke at the National Tainan University.122 In his opening remarks, he stressed his commitment to achieving further progress in terms of sovereignty, human rights, and environmental protection, all areas in which he was being criticized in DPP commentary. As had Tsai, Ma stressed the importance of opening opportunities for the next generation:

Your future is Taiwan’s future. The responsibility of the government is to create a climate in which each one of you can fulfill your potential.

Rejecting the notion that one had to choose between protecting the environment and growing the economy, he pledged that he would safeguard the environment as a first
priority, but that he would also promote robust sustainable economic growth. Addressing a familiar DPP complaint, he said he had long been committed to reducing the income gap in Taiwan and promoting social justice. Obviously there was more to be done, he acknowledged, but he would continue to work to create a foundation for what he termed “intergenerational justice” (世代正義). (As part of the tit-for-tat struggle that has typified the campaign, in a later speech, Ma also responded to Tsai’s charges that he had mismanaged the economy by noting, among other things, that per capita GDP had increased by US$2,600 during his first three years in office, which equalled the total increase over the entire eight years of the DPP administration. Moreover, he said, per capita GDP would reach US$20,000 in 2011, whereas it had peaked at US$17,000 when the DPP was in office.)

Ma may have chosen the university setting for this event because some polls show he has a political problem with the younger cohort. There could be many reasons for that, but among them could be the fact that unemployment among younger people, especially those under 25, is much higher than among older groups. Ma seemed to gain some ground among younger voters as the weeks passed, but overall, he was still stronger among voters over 40 years of age and weaker than Tsai among younger voters.

Repeating his assertion (with its implicit challenge to the DPP), Ma told his Tainan audience that his administration had assiduously worked within the framework of the ROC constitution and on the basis of the “1992 Consensus,” “adhering to the principle of reciprocity, dignity and mutual benefit” (秉持「對等、尊嚴、互惠」的原則). But engagement with the Mainland was essential to achieving peace and prosperity, he said. Linking this with his appeal to young people, he observed that without peace and prosperity there would be no next generation of development.

Ma also linked his willingness to make progress in cross-Strait relations to adequate defenses:

I told our American friends, only by enhancing Taiwan’s defensive capabilities can we maintain a balance of power in the Taiwan Strait, and only by doing so can we enhance Taiwan’s willingness and confidence to go a step further with exchanges with the Mainland; the two are complementary.

Noting that “some people” had accused him of “cozying up to China and selling out Taiwan” (親中賣台), he asked rhetorically: In which of the 15 agreements reached with Beijing had he favored China? In which had he sold out Taiwan? Which agreements had not put Taiwan first for the benefit of the people? During the process of seeking cross-Strait peace, he said, there had never been any change or concession in his staunch resolve to defend the sovereignty of the Republic of China, ensure the security of Taiwan, and safeguard the people’s dignity.
That said, a presidential spokesman confirmed that Ma did ask that high-level PRC officials refrain from coming to Taiwan too often during the remaining months before the election, apparently not because he was sensitive about such visits in general, but because he wanted to avoid the backlash seen in previous situations where Mainland visitors promised to make large purchases only to back out on them later. Interestingly, it was reported that the Mainland also ordered a cutback in visits of tourists under the recently inaugurated “free independent tourists” program, limiting visitors to those who will be most reliable and not cause a negative reaction among people in Taiwan.

On the other hand, in what must be one of the most bizarre examples of “political correctness,” but reflecting the extreme sensitivity of the charge of cozying up to the PRC, the Taiwan Tourism Bureau removed simplified characters from its official website. It is true that this followed a presidential order to use only traditional characters in official documents and on official websites—not an unreasonable position in principle. But one cannot help but note that the Tourism Bureau website, which is designed to attract people from outside Taiwan, offers visitors the option of reading its online materials in English, Japanese, Korean, German, French, Spanish and Dutch (!), in addition to traditional Chinese characters.

As the summer wore on, the lingering split between the KMT and its pan-Blue ally, the People First Party (PFP), broke out into the open again. Disputes over LY nominations seemed to be at the heart of it, but PFP Chairman James Soong was wielding at least a latent threat that he might vie for the presidency, creating a three-way race he could not win but that, at least according to some indicators, he potentially could cause Ma to lose. Informed observers believed that whatever polls showed now, Soong could probably draw no more than 2 to 4 percent of the vote, and that he had no intention to run for the presidency but was merely trying to generate leverage to create space for PFP candidates on the KMT’s LY proportionate representation list. The PFP said it was open to compromise, and Ma and his colleagues announced various efforts to close the rift, including a Ma-Soong meeting. But while the secretaries-general of the two parties met, Soong made known he was not interested in meeting with Ma, and as of the time this essay headed to the editors, nothing had been resolved.

Traditional tensions within the KMT were also surfacing, as relations between the party center and local party officials broke into the open, with at least one former KMT central standing committee member telling the pro-Green press that the KMT was fragmented and unfocused, and that people from lower levels of the party were effectively unengaged in the campaign.

Beijing’s Approach to the Taiwan political scene

Although Beijing sought to remain formally neutral in the election process, having been burned in the past by making blatantly partisan statements about Taiwan candidates, its preference for Ma and its concerns about the DPP were increasingly obvious.
From the outset of 2011 Wang Yi, the director of Beijing’s Taiwan Affairs Office (TAO), called for development of the cross-Strait relationship during the year that was “stable, orderly and positive” (穩定，有序和良性). To this end, he said, both sides needed to consolidate the political basis (鞏固政治基礎), maintain the correct course, and enrich the content of development. Not to put too fine a point on it, Wang said that the most important issue in consolidating the political basis was to jointly oppose “Taiwan independence” and to “recognize and uphold” (承認和堅持) the “1992 Consensus.”

Wang continued to emphasize these themes throughout the early months of 2011. Reaffirming the “easy first, hard later, economics first, politics later” approach, he called this year a bridging year between the past and the future, with efforts to focus first and foremost on successfully negotiating the follow-on agreements to ECFA. Although he did not shy away from reaffirming the long-term goal of “peaceful reunification,” he stressed that this did not mean the Mainland would swallow up Taiwan (or that Taiwan would swallow up the Mainland). Rather, Wang said, peaceful reunification should come about through continuous exchange and cooperation and through negotiations “on an equal footing,” a process that all people on both sides could accept. Consistent with the emphasis seen in other ways through this period on courting opinion in central and southern Taiwan, Wang stressed that the Mainland’s cross-Strait policy, specifically including measures that favored Taiwan, were directed at all the Taiwan people, especially the “grass roots,” and not at “special groups” or regions. Nonetheless, in the context of this positive message, the TAO director reminded “all circles” in Taiwan not to cross the PRC’s “red lines.” These were all themes he continued to sound throughout the succeeding months, including during his late-July visit to the United States.

While visiting Taipei early in the year, ARATS Vice Chairman Zhang Mingqing cautioned that if the DPP wanted dialogue with the Mainland, it would need to show a “positive response” (正面回應) to the “1992 Consensus.” He praised the party’s intention to conduct cross-Strait dialogue, but he said he feared there could be “a little problem” (恐怕就會有一點問題) in realizing that goal due to the DPP’s failure to recognize the “1992 Consensus,” which he labeled as the foundation of any dialogue.

At the same time, although the PRC seemed to back away from its probes regarding getting “more” from Ma Ying-jeou in the near term on the issue of “one China,” expressions of concern about the trend of attitudes in Taiwan toward unification and the need for Ma to differentiate himself more sharply from the Lee Teng-hui/DPP position continued to be heard. An experts’ report in mid-January worried about the phenomenon of “desinicization,” noting that, starting with Lee Teng-hui, but even since the KMT had returned to power in 2008, the degree of support among the people of Taiwan for unification had not risen, but, on the contrary, had fallen. TAO Deputy Director Sun Yafu posited that forging a common cultural identity would be the key to future cross-Strait relations, and the PRC would focus on developing cross-Strait cultural commonality (文化發展的共同性), enhancing spiritual bonds of people on both sides of the Strait (兩岸民間的精緻紐帶), and strengthening a sense of identity of the Chinese nation (對中華民族的認同).
Even though Ma maintained he had not made it to curry favor with Beijing, but rather to accord with the requirements of the ROC constitution, Beijing welcomed his decision to refer in official documents and statements to “Mainland China,” “the Mainland,” or “the Mainland area,” rather than to “China” (with its implied separateness) as had become the practice under Chen Shui-bian. Still, while some people on the Mainland called it a “positive move toward mutual political trust,” others commented that it was merely a “step toward pulling Taiwan back from an extreme state,” and insisted that recovery from the damage from Chen Shui-bian’s desinicization campaign would need more efforts from the Taiwan side.

Official PRC media also took favorable note of Ma’s emphasis on the importance of cross-Strait peace, as well as his stress on the centrality of adhering to the “1992 Consensus” to maintain that peace and avoid a standstill in cross-Strait relations. But one presumes Beijing was aware of the corollary he cited—the government will not sacrifice the nation’s sovereignty or dignity in order to pursue peace—as well as the weight he accorded to maintaining democracy: “Cross-Strait policies must meet the needs of the country, support of the people, and legislative oversight, in order to allow the process of consultations to be transparent and permit full oversight by the Legislative Yuan.”

Ma’s later reference to the Taiwan Strait as being “virtually a path of peace” and a “peace boulevard” may also have caught their attention, as they consider whether negotiating a formal peace agreement will be possible even if Ma wins reelection. There is a perspective among some Taiwan experts in the Mainland that Ma may believe the difficulties inherent in such a negotiation are insuperable—and that in any case, Ma may now see a peace accord as unnecessary. PRC doubts about Ma’s willingness to advance beyond economic and cultural exchanges can only have been underscored by Premier (and KMT vice presidential candidate) Wu Den-yih’s statement that he did not expect cross-Strait political and military talks to begin for five or ten years.

Whether this is the motivating force or not, Beijing still occasionally prods Ma to “cherish the hard-won positive situation” across the Strait and to “do more to facilitate the improvement and development of cross-Strait relations.”

For the moment, however, Beijing seems content to view a peace accord as “one of those things that can be done to facilitate a formal end to the state of hostility across the Strait”—presumably at some comfortable remove in the future. Although Beijing takes the position that “political topics are always unavoidable when we get to a point in the end,” for now, it is content to maintain the easier and economic issues first, before tackling the more difficult and political ones “in the spirit of ‘establishing mutual trust, shelving disputes, seeking common ground while reserving differences, and jointly creating a win-win situation’.”

Still, for all of the unhappiness with what is perceived on the Mainland as a less than sufficiently forthcoming attitude on the part of the Ma administration, concerns about the DPP clearly dominate. Most PRC officials are not as heavy-handed about expressing
their preference for Ma as was Politburo Standing Committee member and Chairman of
the Chinese People’s Political Consultative Conference Jia Qinglin, who urged the people
of Taiwan to “choose the right person” in the presidential election.”

Wang Yi merely said that to maintain the bright future of common prosperity and development, each side
needed to maintain stability of its cross-Strait policy. Asked by
 correspondents to explain this remark further, Wang smilingly said that the reporters
should give it their own interpretation.

While PRC officials assert they are not planning for the future on the presumption of
a DPP victory, it is obvious that they are considering how they would react to a Tsai win.
What emerges from articles, public statements, and private comments is an assumption
that, even though it would not push toward formal independence as they saw Chen Shui-
bian doing, a DPP administration would not embrace any sort of “one China” position.
Therefore, while existing practical arrangements would likely continue, and further
progress might be achieved through private channels, optimistic statements by DPP
stalwarts notwithstanding, the SEF-ARATS dialogue would likely be put on ice
(discussed further below) and no further formal agreements would be possible. That said,
there are indications that existing telephonic and other channels of routine
communication between government offices in Taipei and Beijing would remain
intact.

If this account approximates the Mainland’s true thinking, while one might logically
expect the two sides to expedite negotiations over the four implementing agreements
under ECFA so as to institutionalize as much as possible while Ma is certain to be in
office, officials from both sides deny that this is happening. Although it is not
impossible that, if the DPP is elected, with at least tacit cooperation of the two
governments, non-governmental arrangements could largely substitute for SEF-ARATS
agreements in many areas, in some sectors (such as banking and finance) this might
prove awkward or even impossible. While some informed Mainland observers even
predict that ECFA would cease to function altogether, that seems unlikely.

Mainland officials recently have made clear, as they had in past years, that if the
DPP did not want to sign on to the “1992 Consensus”—perhaps because it was seen as a
KMT creation—then it was free to suggest another consensus. The catch in that position,
now as in the past, is that any new “consensus” would still have to center around
acceptance of what the Mainland calls a “one China framework.” Even if this more
general formulation would allow the DPP to avoid reference to the poisonous (to the
DPP) “one China principle” or any talk of reunification, it is still rooted in acceptance of
“one China,” and it is hard to see how the DPP would be interested.

Some people thought they saw some flexibility in the PRC position in remarks that
TAO Director Wang Yi made to a visiting KMT youth committee delegation in March.
Wang said the reason cross-Strait relations had reached today’s positive state is that the
CCP and KMT have come to a consensus on three basic questions.
The first is that both sides oppose acts of “Taiwan independence” in any form, which means that they take a common stance to oppose splitting national territory and to safeguard peace in the Taiwan Strait and the fundamental interests of the Chinese people (中华民族).

The third area of consensus is that both sides agree to actively and unceasingly push forward cross-Strait consultations and exchanges in practical ways and to strengthen all areas of cooperation, and that, in order to do this, they have adopted the effective course of “first the easy, then the hard, first the economic, then the political.”

These are fairly routine statements. It was the second area of consensus Wang identified that seemed intriguing:

Both sides uphold the one China principle embodied in the “1992 Consensus.” Even though the two sides have different understandings regarding the political meaning of one China, they can seek common ground while reserving differences, and it is precisely in seeking common ground while reserving differences that the essence of the “1992 Consensus” lies.162

Two points attracted attention. First, the reference to “different understandings regarding the political meaning of one China” has struck some people as moving a considerable distance toward adopting Ma Ying-jeou’s “one China, respective interpretations” position.163 Of course, the crux of this point is that this involves both sides embracing “one China.” In any case, in the view of this analyst, this is not a new position and it does not signal an embrace Ma’s formulation.

Second, Wang’s emphasis on the essence of the “1992 Consensus” being to “seek common ground while reserving differences” has led some observers to go further and to ask whether he was not, in fact, laying the foundation for enough flexibility to maintain existing ties in case the DPP wins in January 2012. But this also seems far-fetched. Indeed, to the extent that there was any doubt about this in March, during his July visit to the United States, Wang was even more explicit about what he meant—and he clearly was not suggesting shelving differences on the basic “one China” point, only on the “political connotation” of “one China”:

In 1992, the two sides of the Strait, after serious consultation, reached consensus that the two sides of the Taiwan Strait verbally pledge their adherence to the one-China principle. This consensus has been called the “1992 consensus.” The essence of this consensus is seeking common ground while putting aside differences. In other words, the two sides of the Strait recognize that there is one China while shelving their differences over the political connotation of one China. The core of this consensus is that despite the persistent political confrontation between the two sides across the Strait, there is only one China, and there is no division in China's territory nor will there be a division in the future . . . The
recognition of this consensus also became an important precondition to the resumption of consultation between the ARATS and the SEF. . . . If this precondition is removed and this consensus is rejected, it is unthinkable for the ARATS and the SEF to continue their consultation on an equal footing to resolve all kinds of practical issues across the Strait, for the two sides of the Strait to continue building mutual trust and carrying out salutary cross-strait interaction while remaining politically divided, and for the two sides to create a good atmosphere and necessary environment for frequent cross-Strait exchange and in-depth cooperation. In other words, if the so-called “two-states theory,” “each side [of the Taiwan Strait], a [separate] country,” and other separatist ideas are allowed to stage a comeback in an attempt to turn back the clock and place cross-Strait contact in various fields under undue interferences, compatriots on both sides of the Strait and especially Taiwan compatriots will see their personal interests suffer undue losses and the fine situation of peaceful development in cross-Strait relations will be subject to undue assault.  

(Emphasis added)

The United States

Many American nongovernment experts comment in private conversations that, in reality, the United States favors Ma’s reelection because Washington supports his cross-Strait policies and fears instability if Tsai wins. But as I observed during the Chen Shui-bian period, Washington holds firmly to the view that Taiwan is truly a democracy and that Americans need to respect that, so it will not take sides in the political tugging and hauling.

That said, all of the principal players need to understand that if the current positive state of Taiwan-U.S. relations is to be maintained and enhanced, U.S. interests need to be respected. And it is clear that, especially in comparison with the confrontational atmosphere in the Chen era, the United States has warmly welcomed Ma Ying-jeou’s approach to cross-Strait relations as well as his approach to Taiwan’s relations with the United States.

My sense is that we will see further steps in the coming months that will demonstrate the fidelity of Washington to maintaining not only rhetorical positions but also practical relationships that will give meaning to repeated protestations of the American commitment to Taiwan’s security and to ensuring that peace and stability are maintained. An impending announcement on new arms sales—likely involving upgrades to Taiwan’s existing F-16A/Bs—is a case in point. It has also been reported that other munitions such as anti-radiation missiles and joint direct attack munitions (JDAMs) are likely to be included in the approval. But stability is not stasis, and as we have seen in recent years, it is possible to make progress in lowering tensions and enhancing mutually beneficial relationships without changing the fundamental realities of Taiwan’s existence.
Some American writers have commented in recent months either that the United
States should, or in any case that it will, pull back from its support of Taiwan. In part the
reasoning is that the importance of relations with the PRC, as well as the increasing
difficulty of envisioning how the U.S. would come to the military rescue of Taiwan
without risking more than Americans should—or would—be willing to sacrifice, make it
increasingly foolish to even pretend that Washington would confront Beijing should it
decide to apply the screws to Taiwan.

I don’t agree, as a matter of analysis or policy prescription, that such “distancing”
would be in the U.S. national interest. But it also needs to be made clear to all concerned
that the goal is not to keep Taiwan and the Mainland apart. Rather it is, as American
officials have been saying for many years, to ensure that, as the two sides find a way to
engage each other and resolve issues peacefully, any reconciliation is accomplished
without coercion, provocation, or use of force.

If there were an inclination in Washington to pull back, one would be hard pressed to
explain the kinds of statements that Secretary of State Hillary Rodham Clinton or
Chairman of the Joint Chiefs of Staff Admiral Mike Mullen have made to their PRC
counterparts of late. If senior American officials have occasionally had to correct their
Chinese counterparts—or themselves—about what U.S. policy is, this only demonstrates
that however nuanced and finely honed the policy is, and however difficult it is
sometimes for officials to come up with exactly the right words to express it, the United
States remains committed to that policy, and will not be diverted from it, because it
continues to serve U.S. purposes well even after four decades.

It is virtually certain that whoever wins in Taiwan in January 2012 will want to
follow the prescription laid down by President Ma: to continue to build up Taiwan’s
credibility and trust with the United States while—in word and deed—taking principal
responsibility for the island’s defense. As noted earlier, the way Ma articulated it in his
recent videoconference with Americans seemed more realistic than what he had said
previously. Earlier he had said he would never call on Americans to come to his defense.
That is simply not credible if one conjures up a PLA attack on the island.

Nonetheless, while being principally responsible for one’s own security is both right
and necessary, as President Ma said, the American presence in the region, and its
participation in the Asia Pacific security system, is crucial to that system’s survival. We
all know that at this moment it is not easy, either in political or financial terms, to
maintain the current role. But as former Defense Secretary Gates said, this
administration—and, I believe, any that follow it—will be fully committed to doing just
that.

Although we may be no nearer than before to a decision on Taipei’s request for
newer model F-16 C/Ds, there is no doubt that Washington understands the importance of
a credible deterrent force in Taiwan. This is especially so in light of the statement by
PLA Chief of the General Staff General Chen Bingde that although the PLA has no short-
range missiles targeted against Taiwan (a claim widely discounted), “China's efforts to
enhance [its] military capabilities is mainly targeted at separatist forces as headed by Lee Teng-hui and Chen Shui-bian, who have attempted to split Taiwan away from China.\textsuperscript{167} Whether most people in the Mainland believe it or not, the logic of President Ma’s argument that, given the PRC “threat,” a strong defense provides the political wherewithal for him to engage constructively with the Mainland rings true to Americans. U.S. arms sales are not going to reverse the growing imbalance across the Strait, nor are they intended to. But they can provide both some needed military muscle to help deter coercive behavior, and they can stand as a symbol of support for the type of engagement across the Strait we have seen in the past few years.

One can only hope that the nuance suggested by General Chen’s response to a question on arms sales will guide Beijing’s reaction. That is, while he said that, yes, arms sales would impact U.S.-PRC official and military relations, he also said that the nature of that impact would depend on the nature of the weapons sold.\textsuperscript{168} If the United States ever gets around to selling F-16 C/Ds to Taiwan, Washington will likely have to deal with a severe PRC reaction at the time. But, short of that, if the PLA is now prepared to “live with” other sales—however objectionable “in principle”—then Sino-American relations will have moved to a better place.\textsuperscript{169}

The letter from a very large number of senators to President Obama urging the sale of F-16 C/Ds to Taiwan\textsuperscript{170} followed by a letter signed by a large number of representatives\textsuperscript{171} is impressive in the sense that there is general sympathy in the Congress for Taiwan’s plight. That said, these well-organized expressions of support for sale of C/Ds are unlikely to have any appreciable effect on the administration’s consideration of that particular weapons system. In other times, what it might have done is ensure that any weapons sales already heading for approval were moved ahead expeditiously. But the fact is that an arms sales decision was impending, anyway, so a further boost was really not necessary.

On the theory that there never is a “good time” to announce such sales in terms of Beijing’s reaction, it seemed pretty obvious that it would be best to take advantage of the “window” between Vice President Biden’s mid-August visit to China and Hu Jintao’s appearance at the Asia Pacific Economic Cooperation (APEC) leaders meeting in Hawaii in mid-November to send a notification to Congress. The press had already tipped September as a likely time.\textsuperscript{172} But as part of a deal to get Senator John Cornyn (R-Texas) to lift the “hold” he had imposed on confirmation of William Burns as the new Deputy Secretary of State, on July 21 Secretary Clinton pledged to deliver by October 1 a long-promised report to the Congress assessing Taiwan’s air force needs and a decision on F-16s.\textsuperscript{173} Burns was sworn in eight days later.

Referring back to General Chen Bingde’s comment that the type and size of any sale would determine the reaction, with the upgrade of existing F-16A/B aircraft potentially worth as much as $4.5 billion,\textsuperscript{174} it will be hard to pretend it isn’t sizable. The issue is whether “only” upgrading A/Bs rather than selling C/Ds will persuade Beijing to modulate its reaction.
When in Washington in late July, TAO Director Wang Yi argued, as he and other senior PRC officials have before, that arms sales harm the overall interests of U.S.-PRC relations and affect the improvement and development of cross-Strait ties, and are not conducive to maintaining peace and stability in the Strait. Thus it was time, he said, “for all of us to sit down and seriously ponder from an overall and long-term perspective how to appropriately handle the issue.” After his meetings with senior American officials, Wang said that the two sides “held in-depth talks on the issue,” adding in a way doubtless calculated to catch Taipei’s attention, “and this round of talks might prove only the beginning.”

Making an argument rarely voiced publicly by PRC officials, civilian or military, but one that undoubtedly informs Beijing’s approach, the PRC Defense Attaché in Washington told reporters that even at this point, the United States has to consider China’s attitude regarding the timeframe, methods and style, quantities, and qualities of arms sales to Taiwan; it cannot afford to act otherwise. Moreover, he went on, looking ahead another 10, 20, or 30 years, as China’s power grows further, “the United States must give more consideration to the attitude of the Chinese government and people . . . Once we become stronger, some of these problems . . . will be solved sooner or later.”

Although Taipei continues to make the case for the importance of acquiring F-16C/Ds in order to maintain roughly the current number of aircraft in its force as older planes are retired, arguing that this contributes to regional peace and stability, Taiwan is preparing in a variety of ways to handle what President Ma Ying-jeou described in his recent Wall Street Journal interview as an increasingly difficult prospect for Taiwan to purchase weapons from the United States, given the evolving nature of U.S.-PRC relations.

In light of that perception, and the unlikelihood of an F-16C/D sale any time soon, senior officials in Taipei are seeking to shape public opinion to accept a decision that does not include that system. Not only have military officials begun to speak realistically of a shortage of pilots to fly a significant number of new airplanes, they have also spoken candidly of how the procurement costs for a large purchase of advanced aircraft would eventually eat into the air force’s maintenance funds and jeopardize its combat readiness. Moreover, looked at from a strategic perspective, the value of the C/Ds is being reassessed. As a senior National Security Council official in Taiwan put it:

Taiwan's national security embodies not just national defense. Nor does national defense depend only on one single weapon procurement. So it would be narrow-minded for anyone to use the F-16C/D procurement program as an indicator to judge the government's progress toward strengthening national defense.

At the same time that it is adjusting expectations on F-16s, Taiwan is moving ahead to develop advanced weapons systems indigenously. We have already seen advances regarding various categories of ballistic and cruise missiles, and recently it became known that Taiwan was moving ahead to develop radars that can help counter newly
developing PRC stealth fighter capabilities,\textsuperscript{181} as well as anti-ship missiles\textsuperscript{182} and precision-guided missiles to be used against PRC missile bases and air-defense systems.\textsuperscript{183} There is likely to be more of the same in the years to come.

Conclusion

Overall, then, we enter the fall facing the prospect of an intense political season in Taiwan, the results of which could profoundly influence the course of cross-Strait relations for years to come depending on decisions taken by the winners on the island and their counterparts across the Strait. Despite predictions from some quarters of changes in the American approach—either to enhance security ties with Taiwan or to decrease them—the overwhelming likelihood is for continuity. The issue of “at what cost” that continuity can be maintained can only be judged over time.

Notes


\textsuperscript{2} At the six-month point after “early harvest” provisions went into effect, Taiwan officials reported that machinery exports to the Mainland had grown by 61.9 percent (year-on-year) and agricultural exports on the early harvest list had grown 345 percent. Moreover, on the gross value of Taiwan exports to the Mainland in that period, tariff exemptions and reductions under ECFA amounted to almost US$54 million on about US$61.5 billion in sales. (James Lee, “ECFA’s early harvest program successful: MOEA,” Central News Agency [hereinafter abbreviated as CNA], July 29, 2011.)

More broadly, the Ma administration claimed that during the first five months of its operation, ECFA accounted for a net gain in Taiwan’s economic growth of US$7.78 billion and created over 257,000 jobs, lowering the unemployment rate by 2.5 percent. (Vincent Y. Chao, “ECFA impact should be reassessed: academics,” Taipei Times, June 28, 2011.) The administration also reported that ECFA contributed to a 49 percent growth in investment in Taiwan by overseas Taiwanese businesses during the first four months of 2011 and a projected annual growth of such investment during 2011 of 18 percent. (Kwangyin Liu, “ECFA delivers record growth in Taiwan investment,” Taiwan Today, June 7, 2011, \url{http://www.taiwantoday.tw/ct.asp?xItem=166785&ctNode=445}.)

Although Taiwan’s share of the Mainland market fell to 7.38 percent in the first quarter of 2011 (down from 8.4 percent in the same period a year earlier; Vincent Y. Chao, “DPP declares dependency on PRC,” Taipei Times, June 17, 2011), Taiwan products on the “early harvest” list accounted for 12.27 percent of the Mainland market for those products in the same period, up from 11.18 percent in December 2010. (Kwangyin Liu, “ECFA delivers record growth in Taiwan investment,” Taiwan Today, June 7, 2011, \url{http://www.taiwantoday.tw/ct.asp?xItem=166785&ctNode=445}.)

The DPP, on the other hand, said that the administration was exaggerating ECFA’s benefits and understating the costs, inasmuch as it had failed to spur domestic investment but rather had accelerated capital outflows to the Mainland. A DPP-leaning think tank published figures showing that Taiwan investments in the Mainland had grown by almost two-thirds on an annualized basis during the first quarter of 2011, while foreign investment had fallen by over a third. Moreover, the think tank said, while agricultural exports to the Mainland had grown, so had Mainland agricultural exports to Taiwan. In addition, the higher Taiwan shipments included transfer of agricultural know-how across the Strait, which would redound to the detriment of Taiwan farmers over time. (Vincent Y. Chao, “ECFA impact should be reassessed: academics,” Taipei Times, June 28, 2011.)

Although she stopped short of previous suggestions about nullifying ECFA, DPP presidential candidate Tsai Ing-wen said she would “reassess” ECFA if elected. (Shih Hsiu-chuan and Vincent Y. Chao, “DPP says ECFA claims are overblown,” Taipei Times, June 29, 2011.)
Romberg, *China Leadership Monitor*, no. 35

3 Lin Shu-yuan, Eva Feng, Chiu Chun-chin, and Sofia Wu, “6 working panels to be created under ECFA-related committee,” CNA, February 22, 2011.


5 In a pattern reminiscent of the Ma presidential campaign in 2007, different Taiwan officials said different things. On March 1, Premier Wu Den-yih (later named Ma’s 2012 vice presidential running mate) said that SEF and ARATS were consulting on the establishment of branch offices in Beijing and Taipei. (“SEF and ARATS negotiate establishing reciprocal offices,” KMT News Network [from Taipei papers], March 3, 2011, http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=9293.) Two days later, SEF head P.K. Chiang said there was no plan to establish such offices. (Eva Feng and Bear Lee, “No plans to exchange ECFA offices with China: SEF head,” CNA, March 3, 2011. This latter position seems to be where things actually stand.) An account of similar contradictory pronouncements from the Ma campaign four years ago, which also involved Wu Den-yih, then KMT Secretary-General, along with Wu Poh-hsiung, then KMT chairman, can be found at Alan D. Romberg, “Applying to the UN in the name of ‘Taiwan’,” *China Leadership Monitor*, no. 22, Fall 2007, pp. 13–14.)

6 Lin et al., “6 working panels” (see endnote 3).


8 Lin et al., “6 working panels.”

9 Eva Feng and Ann Chen, “Taiwan says no more opening to Chinese farm produce,” CNA, March 23, 2011.

10 “SEF chairman hopes cross-Strait talks to be held next month,” *Taipei Times*, May 14, 2011.


12 Lin Shu-yuan and Deborah Kuo, “Details of new round of cross-Strait talks not yet decided: SEF,” CNA, May 17, 2011. According to one report, Taiwan wanted the agreement to specify that disputes would be settled by international arbiters, but the PRC objected because this would tacitly imply acknowledgment of Taiwan’s sovereignty. (“SEF chairman hopes cross-Strait talks to be held next month,” *Taipei Times*, May 14, 2011.)

13 “Wang Yi: The 7th Chiang-Chen meeting holds promise to sign investment protection and nuclear safety agreements” (王毅：江陳7會有望簽投資核安), CNA (domestic), August 8, 2011, http://www2.cna.com.tw/ShowNews/Detail.aspx?pNewsID=201108082087&pType0=aCN&pTypeSel=0.

14 Lin Shu-yuan and Frances Huang, “Minister ‘cautious’ about cross-Strait investment talks,” CNA, September 3, 2011.


17 Lin Shu-yuan and Lillian Wu, “Cross-Strait services trade talks could take up to two years: official,” CNA, February 16, 2011.


On the other side of the coin, while Beijing continues to reject characterizing any of these contacts as “official,” PRC media showed due deference to the fact that the real responsibility lay with the two governments. A Xinhua report openly acknowledged that, although SEF and ARATS formally convened the meeting, senior officials at the vice ministerial level chaired the sessions as the “top representatives for both sides.” (“First cross-Strait co-op committee in Taiwan,” Xinhua, February 22, 2011.)

The report about the PRC calling for greater reciprocity and even-handedness in future negotiations coincided with the call by one leading Taiwan paper to rethink the reliance on “cross-Strait characteristics” (i.e., reliance on concessions from the Mainland) in a post-ECFA era. It argued that Taiwan should drop its “passive mentality” of curry-favor from the Mainland and work instead on the details of ECFA with
“professionalism.” (Sofia Wu, “United Daily News: Get rid of ‘cross-Strait characteristics,” CNA [editorial extract], April 4, 2011.)

19 According to PRC data, cross-Strait trade was up 36.9 percent in 2010 from 2009 levels. (“Cross-Taiwan Strait trade up 36.9% to US$145.37 bil. in 2010,” China Post, January 21, 2011.) Moreover, Taiwan’s investment in the Mainland in 2010 grew by 102 percent over 2009, exceeding US$10 billion for the first time, according to Taiwan statistics. (Judy Li, “Taiwan’s investments in China surge 102% to US$12.23B. in 2010,” Taiwan Economic News, January 31, 2011, http://cens.com/cens/html/en/news/news_inner_35242.html.)


As a result of this sort of activity, Taiwan became the 16th largest exporter in the world in 2010, up from 17th place in 2009 and 18th place in 2008. Taiwan officials credited the signing of ECFA with spurring this growth. (Judy Li, “Taiwan advances to world’s 16th largest exporter in 2010,” Taiwan Economic News, March 10, 2011, http://news.cens.com/cens/html/en/news/news_inner_35594.html.) ECFA was also cited as a “major factor” by the International Institute for Management and Development (IMD) in Switzerland in its decision to raise Taiwan’s ranking to sixth most competitive place in the world, up two notches from the previous year and behind only Hong Kong and Singapore in Asia. (Philip Liu, “Taiwan ranks sixth place in world competitiveness,” Taiwan Economic News, May 19, 2011, http://cens.com/cens/html/en/news/news_inner_36360.html.)

IMD saw ECFA as conducive to the enlargement of cross-Strait trade, the stabilization of cross-Strait relations, and the strengthening of confidence for corporate investment and private consumption in Taiwan.

In an unprecedented development, the Mainland included in its 12th Five-Year Plan an “action program” specifically devoted to promoting cross-Strait economic and trade cooperation. TAO Director Wang Yi highlighted this in an interview in March, observing: “[T]his is the first time that language about actively supporting the transformation and upgrading of Taiwan-funded enterprises on the Mainland and about safeguarding the legitimate rights and interests of Taiwan compatriots in accordance with law has been included in a five-year program.” He noted that current priorities were to advance the ongoing follow-up negotiations under ECFA, vigorously carry out exchange “in various fields and at various levels,” and to take “concrete measures” to bring benefit to more people on the two sides of the Strait—“particularly people at the grassroots level in Taiwan”—to reap the fruits of peaceful development of cross-Strait relations. But, trumpeting this year’s “theme” in cross-Strait relations, “seeking progress amid stability,” he didn’t miss the opportunity to drive home an openly political message, as well:

We will work on solidifying the important political consensus reached by the two sides of the Taiwan Strait, the series of important results achieved to date in cross-Strait relations, and mainstream public opinion on the two sides of the Taiwan Strait in support of the peaceful development of cross-Strait relations, thereby maintaining the right direction for the development of cross-Strait relations. We are ready to work with the Taiwan side on this basis to continue pushing cross-Strait relations to develop in a sound and orderly manner. (“Wang Yi: ‘12th Five-Year Plan’ action program for promoting cross-Strait economic and trade cooperation,” Xinhua [taken from People’s Daily], March 8, 2011, http://news.hexun.com/2011-03-09/127801331.html, translated by Open Source Center [abbreviated OSC hereafter in these notes], CPP20110308071003.)

Unsurprisingly, this same approach was followed very closely in the government work report to the National People’s Congress a week later. (“Full text: Report on the work of the government,” Xinhua [in China Daily], March 5, 2011, http://www.chinadaily.com.cn/china/2010npc/2010-03/15/content_9593380_15.html#.)
While greater reciprocity may indeed be required to meet the demands of Mainland business, all of this activity should have put to rest some of the concerns coming out of the CSECC meeting in February that the PRC would not continue to provide favorable terms to Taiwan (see endnote 18). This favorable attitude toward Taiwan was also reinforced in July, when a senior ARATS official announced that the Mainland would institute programs to take Taiwan’s surplus fruit production. (Lee Hsin-yin, “China to buy surplus Taiwanese fruit: Chinese official,” CNA, July 13, 2011.)

Government reports also indicate that the Intellectual Property Rights (IPR) agreement signed at the same time as ECFA in June 2010, and which took effect in September, has spurred a flurry of activity. (Meg Chang, “Cross-Straits IPR agreement bears fruit,” Taiwan Today, May 4, 2011, http://www.taiwantoday.tw/ct.asp?xItem=162623&ctNode=445.)

Meanwhile, economic forecasts followed a roller-coaster course. At the end of the reporting period, despite strong performance in the second quarter of the year, a number of economic institutions lowered their forecasts for 2011 to 5.0 percent or below due to the negative forecasts for the world economy and trade. The official government forecast dropped the projected growth rate to 4.81 percent, down from 5.01 percent. (Philip Liu, “DGBAS revises downward 2011 economic growth to under 5%,” Taiwan Economic News, August 19, 2011, http://cens.com/cens/html/en/news/news_inner_37349.html.) Others lowered their forecasts even further, to as low as 4.2 percent (albeit from a lower initial forecast) for the same reason. (Lo Hsiu-wen and Sofia Wu, “Morgan Stanley lowers forecast for Taiwan GDP growth,” CNA, August 18, 2011.)

Prior to that however, with a few exceptions, as Taiwan’s economic growth maintained a surprising degree of momentum in the early months of 2011, most forecasters kept raising their projections for the year. The Taiwan Institute of Economic Research (TIER) projected the highest growth rate at 5.7 percent (“Wu Ching-chun and Christie Chen, “TIER trims economic growth forecast to 5.7 percent,” CNA, July 28, 2011). But several other forecasters followed this trend, including the government’s own rather conservative Directorate General of Budget, Accounting and Statistic (DGBAS), which raised its forecast almost monthly, from 5.03 percent in February to 5.04 percent in April to 5.06 percent in May (Lin Hui-chun and Alex Jiang, “Statistics bureau ups forecast on economic growth,” CNA, May 19, 2011) before sliding back slightly in July to 5.01 (“Gross domestic product: Advance estimate in 2011 Q2 and latest outlook for 2011,” DGBAS, July 29, 2011, http://eng.dgbas.gov.tw/ct.asp?xItem=29571&ctNode=3339.) And the IMF pegged its 2011 prediction at 5.4 percent (and 5.2 percent in 2012). (International Monetary Fund, “World Economic Outlook, April 2011,” p. 73, Table 2.4, “Selected Asian Economies: Real GDP, Consumer Prices, Current Account Balance, and Unemployment,” http://www.imf.org/external/pubs/ft/weo/2011/01/pdf/text.pdf.)

Typical of the general trend, the Chung-Hua Institution for Economic Research (CIER) revised its projection upward from 4.29 percent in April to 5.02 in July, (Lin Hui-chun and Sofia Wu, “Think tank raises Taiwan’s economic growth forecast to 5.02%,” CNA, July 25, 2011.) Two others raised their estimates even more sharply. The Polaris Research Institute raised its growth forecast from 4.78 percent as of March to 5.2 percent in late June. (Lin Shu-yuan and Alex Jiang, “Economic growth to exceed 5%: minister,” CNA, June 29, 2011.) And Academia Sinica went from 4.71 percent in December to 5.52 percent in mid-July, and added that its figure “may very likely” rise to 6.5 percent if things go well in the world’s major economies. (Judy Li, “Academia Sinica raises Taiwan economic growth forecast to 5.52% for 2011,” Taiwan Economic News, July 25, 2011, http://cens.com/cens/html/en/news/news_inner_37018.html.)

A contributing factor to some polls showing two-thirds of the people felt touched by the economic revival (T’ao Fu-yuan, “67% of the population experiences economic revival” (67%感受到經濟復甦), Lien-ho Pao, May 20, 2011, http://udn.com/NEWS/FINANCE/FIN2/6347674.shtml) was the continuing drop in the unemployment rate. In April, unemployment dropped to 4.29 percent, the lowest level since September 2008. (Seasonally adjusted, it fell to 4.35 percent, shrinking for the 20th consecutive month.) The absolute level of employment, at 10.648 million, was the highest in Taiwan’s history, and the number of unemployed, at 477,000, was at the lowest level since October 2008. (Lin Hui-chun and Deborah Kuo, “Taiwan’s jobless rate lowest in 31 months,” CNA, May 23, 2011.) After a further dip in May, unemployment rose slightly in June, to 486,000 or 4.35 percent, but employment rose even more, to 10.696 million. (DGBAS, “Manpower Survey Results in June 2010, Table 1. Important indicators based on Manpower Survey Results,” http://eng.dgbas.gov.tw/ct.asp?xItem=29556&ctNode=3339.) In addition, according to the Ministry of Economic Affairs, per capita income will rise to over US$20,000 this year.
That said, we know that many people in Taiwan are concerned about the future. In the first place, as indicated above, the European and American economic woes in midsummer led many economists in Taiwan to predict that forecasts for the island’s economic growth in 2011 would dip below 5 percent.

In addition, there is already discontent over income disparities, which the DPP is seeking to make a major issue in the campaign, and although the IMF sees very low inflation in Taiwan (IMF, “World Economic Outlook, April 2011,” p. 73 [see earlier in this endnote]), polling data indicate that rising prices are a concern, and people are unhappy with the government’s failure to curb inflation. (James Lee, “Majority dissatisfied with government anti-inflation efforts: poll,” CNA, May 13, 2011.)

Moreover, while welcoming the benefits of robust cross-Strait economic ties, many people worry about the real or potential impact on sovereignty and on Taiwan’s control of its own fate. Some of the polls showing this concern were conducted by organizations with a definite political bias, but the concern is natural. One somewhat amusing factor is how differently oriented media play the same story. For example, the Taiwan Brain Trust, a pro-Green think tank, conducted a poll in early May that included questions about any concerns that sovereignty was being sacrificed for the sake of closer economic exchanges. Reporting the result, which was that over 47 percent did not think sovereignty had been eroded while 40 percent did, the pro-Green Taipei Times headlined its story “Two-fifths say sovereignty eroded: poll” while the Kuomintang’s “KMT News Network” wrote “Nearly 50% of people do not believe cross-Strait exchanges damage sovereignty.”

Still, however one writes the story, many people are apprehensive, as also reflected in an Academia Sinica survey that revealed over 60 percent of respondents expressed concern that cross-Strait economic exchanges would make it impossible to maintain the status quo across the Strait, while making it easier to achieve unification. At the same time, reflecting the fundamental ambivalence that exists, half of the respondents thought that the DPP is too vehemently opposed to engagement with the Mainland. (Lin Tsong-shen, “KMT too close to China, DPP too closed to China: poll,” WantChinaTimes.com, April 25, 2011, http://www.wantchinatimes.com/news-subclass-cnt.aspx?cid=1501&MainCatID=15&id=20110425000006.)


21 Bian Chín-geng and S.C. Chang, “Taiwan’s export reliance on China has not increased: president,” CNA, May 22, 2011. In actuality, it had risen to 43.3 percent in 2010 but slipped back to 40.7 percent thus far in 2011. (Rita Cheng and Alex Jiang, “MAC defends ECFA’s impact on Taiwan agricultural exports,” CNA, June 28, 2011.)

22 Ma Ying-jeou, “US-Taiwan relations” (see endnote 20, above).


Taiwan had joined ISC as a full member in 2002, after its proposal for changing membership criteria from “Coastal states of the region” and “States with vessels fishing for these species in the region” to “Coastal states/fishing entities of the region” and “States/fishing entities with vessels fishing for these species in the region.” (“Report of the Plenary Session of the Third Meeting of the Interim Scientific Committee on Tunas and Tuna-like Species in the North Pacific [ISC],” January 28–30, 2002, http://isc.ac.afric.go.jp/pdf/ISC3pdf/isc3P_rep.pdf.) Even though the term “Chinese Taipei” was used, it appears that the PRC did not become a member until sometime later. For example, the report of the 2008 ISC meeting does not show China attending, although a PRC contact point was identified for providing data (http://isc.ac.afric.go.jp/pdf/ISC8pdf/Annex_10_STATWG_July08_ISC8.pdf).
The following provision:

meetings under the designation “Taiwan, China,” Article 7 of the implementing memorandum contained

of the 2005 China

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no. 28,

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no. 21, Summer 2007, endnote 28.

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International Health Regulations (2005)

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separately as if they referred to a State.” (Ibid.)

Information related to the Taiwan Province of China must be listed or

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Anne Marie Worning, Executive Director, DGO [Director

Regulations (2005) with Respect to the Taiwan Province

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from

[undated],

Chairpersons’ work to resolve the issue. (“Letter from Asian Medical Students’ Association

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did not pick up on the alternative names.

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Medical students from the PRC had recently joined AMSA and were actively participating. However,

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That having been said, consistent with charges that the Chen Shui

bian administration attended WHO

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meetings under the designation “Taiwan, China,” Article 7 of the implementing memorandum contained

the following provision:

The [Taiwanese] experts shall participate in their personal capacity. When designations are used (e.g.

on conference badges or lists of participants), reference shall be made to “Taiwan, China.”

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Grace Kuo, “Taiwan defends status in regional medical group,” Taiwan Today, February 9, 2011,

http://www.taiwantoday.tw/ct.asp?xItem=149579&CtNode=419. Actually, as it turns out, the proposal was

to change the name to either “AMSA-Taiwan, China” or “AMSA-Chinese Taipei,” but the Taiwan press
did not pick up on the alternative names.

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The Taiwan chapter then issued a letter on the AMSA website accepting that the issue had arisen due to
“miscommunication” and expressing appreciation for the Executive Committee and Regional
Chairpersons’ work to resolve the issue. (“Letter from Asian Medical Students’ Association-Taiwan”
[undated], http://www.amsa-international.org/index.php?option=com_content&view=article&id=92:letter-

from-asian-medical-students-association-taiwan&catid=37:newsletter&Itemid=84.)

Hu Ching-hui and Hsu Shao-Hsuen, “Taiwan promises to fight name change in medical group,” Taipei
Times, February 9, 2011.

Kao Chao-fen and Sofia Wu, “Taiwan protests name change in regional financial chapter,” CNA,
February 12, 2011.


“Procedures Concerning an Arrangement to Facilitate Implementation of the International Health
Regulations (2005) with Respect to the Taiwan Province of China,” attachment to Memorandum from
Anne Marie Worning, Executive Director, DGO [Director-General’s Office], “Subject: Application of the

Documents or information which is published, incorporated or referred to in WHO publications or
documents, whether electronic or in hard copy, must use the terminology ‘the Taiwan Province of China.’

Information related to the Taiwan Province of China must be listed or shown as falling under China and not
separately as if they referred to a State.” (Ibid.)

Statement of the Government of the People’s Republic of China on China’s Implementation of the

Alan D. Romberg, “Election 2008 and the Future of Cross-Strait Relations,” China Leadership Monitor,
no. 21, Summer 2007, endnote 28.

Alan D. Romberg, “Cross-Strait Relations: First the Easy, Now the Hard,” China Leadership Monitor,
no. 28, Spring 2009, pp 10–12.

According to Article 6 of an available version of the July 2005 WHO “Memorandum on implementation
of the 2005 China-WHO Taiwan MOU”:

As to the geographic expression to be included in the mailing address for any correspondence with
invited Taiwanese experts, the use of “Republic of China” or “Taiwan” is not acceptable. At the same
time, the use of [the] expression “Taiwan, China” could possibly discourage the participation of the
invited experts. Consequently, [when inviting experts from Taiwan] technical units should only
indicate the name of the city of the addressee, without indicating a “country” of destination, and
invitations should as much as possible be sent by telefax to avoid problems with the regular mail.
(http://en.wikisource.org/wiki/Memorandum_on_implementation_of_the_2005_China-WHO_Taiwan_MOU)

That having been said, consistent with charges that the Chen Shui-bian administration attended WHO
meetings under the designation “Taiwan, China,” Article 7 of the implementing memorandum contained

the following provision:

The [Taiwanese] experts shall participate in their personal capacity. When designations are used (e.g.

on conference badges or lists of participants), reference shall be made to “Taiwan, China.”
“Following the entry into force of the International Health Regulations (2005) (‘IHR (2005)’), the Permanent Mission of China has communicated to the Director-General an arrangement to facilitate the implementation of the IHR (2005) with respect to the Taiwan Province of China. This IHR arrangement (hereinafter ‘the Arrangement’) allows certain interactions and communications between the WHO Secretariat and technical health authorities in Taipei and clarifies the activities that the WHO Secretariat may undertake pursuant to the IHR (2005) with regard to the Taiwan Province of China.” (“Procedures Concerning an Arrangement,” see endnote 33; emphasis added.)

When asked about the Mainland’s response to the strong reaction in Taiwan over the nomenclature issues at the WHO, including Ma’s protest, the Taiwan Affairs Office spokeswoman deflected the question. She called on people in Taiwan to view this issue “objectively,” pointing to the improvement in cross-Strait relations and saying the invitation to Taiwan to attend the World Health Assembly as an observer was a “goodwill gesture” from the PRC. When pressed in a follow-up question whether Beijing would show “further goodwill” in the matter of WHO using “the Taiwan Province of China,” video recordings of the exchange show that the spokeswoman responded testily and in a somewhat confused manner (http://www.youtube.com/watch?v=luHfYaS721U), the essence of which was that it was not the Mainland that was calling for use of “Taiwan Province of China” at the WHO: “This is a WHO matter” (是世衛組織的事情). (“China joins debate over Taiwan’s WHA role,” FTV News, May 11, 2011, http://englishnews.ftv.com.tw/read.aspx?sno=67E08E7FBC13919356747BBE32AEB8B0.)

Interestingly, both exchanges about WHO were omitted from the consolidated official press briefing transcript posted on the TAO website (http://www.gwydb.gov.cn/xwfbh/t201105/t20110511_1853869.htm), although a minute-by-minute transcript posted on the TAO website did include the initial Q&A but not the follow-up exchange in which the spokeswoman denied PRC responsibility for issuance of the WHO memo on using “the Taiwan Province of China” (http://www.taiwan.cn/xwzx/xwfbh/gtbxwfb/hlwwb/t201105/t20110511_1853274.htm). An official video of the press conference, originally broadcast by CCTV-4, evidently also edited out the second exchange. (The video is available at http://www.taiwan.cn/xwzx/xwfbh/gtbxwfb/sp/t201105/t20110511_1853465.htm)


Chapter 1 (“National Circumstances”) of the PRC’s initial report to the UNFCCC in 2004 stated that “the whole country is divided into 23 provinces (including Taiwan),” and an accompanying map showed Taiwan among “the administrative divisions of the People’s Republic of China.” (The People’s Republic of China, “Initial National Communication on Climate Change,” Beijing, 2004, http://unfccc.int/resource/docs/nate/chnnce1.pdf.)


Nancy Liu, “Taiwan health minister’s speech at World Health Assembly,” CNA, May 18, 2011.

“Ma fights back against Tsai’s WHO criticism,” China Post, May 15, 2011.


Although, as pressure built, the government said it would protest to the WHO, initially it took a different tack. Deputy Foreign Minister Shen Lyu-shun, for example, said that thanks to the Ma administration, Taiwan had the possibility of participating in the WHA and being called “Chinese Taipei.” “But we have no way to control how they write their internal documents,” he said (它內部文件怎麼寫，不是我們可以掌握的). (“WHO internal documents use ‘Taiwan Province of China’,” FTV News, May 9, 2011, http://englishnews.ftv.com.tw/read.aspx?sno=86B488AE0B49985198F8B491F9867BB77.)


In the event, it appears that both oral and written protests were filed immediately (Kelven Huang and Y.F. Low, “Taiwan has protested to WHO over denigrating name: MOFA,” CNA, May 11, 2011) as well as by Taiwan’s chief representative to the WHA during the meeting later in the month.

“President Ma holds press conference to explain government’s position on WHO name issue,” Office of the President, Republic of China (Taiwan), May 10, 2011,
It is worth noting that without getting involved in Ma’s claim of ROC sovereignty, the United States strongly backed his position that the WHO had no business adopting the position it had. As in other cases where UN bodies have claimed (or PRC representatives have claimed) that the UNGA decisions in 1971 to oust Taiwan and seat Beijing determined that Taiwan was a “part” or “province” of China, the United States absolutely rejected this position. At the same time, it is interesting to observe that U.S. Secretary of Health and Human Services Kathleen Sebelius called for a resolution to this problem that includes both the PRC and Taiwan in the discussion. (Chen Ching-fang and Sofia Wu, “No U.N. agency should determine Taiwan’s position: U.S.,” CNA, May 17, 2011.) While it is doubtful that the two sides can sit down at the table together to resolve this question, the call for a cooperative approach to resolution is consistent with the long-standing American position in favor of peaceful resolution of issues between the two sides.


54 In his videoconference with Americans on May 12, Ma referred to the incident only in passing—“As you know, we always have some difficulties with the Mainland on things that touch upon issue of…sovereignty, or other things. As you know, recently we did have some difficulties in this regard. But I think, by and large, the two sides under the principles of the '92 consensus are ready to [negotiate] things in a way that is mutually acceptable.” (Ma Ying-jeou, “US-Taiwan relations.”)


56 At the end of a lengthy article about the WHO issue in its monthly newsletter, the DPP bitingly asked: “Is this really the model that the Ma Administration should follow?” (“Story of WHO scandal: Mistake after mistake by KMT administration,” *Democracy and Progress*, May 2011, http://www.scribd.com/doc/56875921/DPP-Newsletter-May2011.)

57 “China joins debate over Taiwan’s WHA role,” *FTV News*, May 11, 2011, http://englishnews.ftv.com.tw/read.aspx?sno=67E08E7FBC13919356747B8B491F9867BB77. In fact, one of the principal administration spokesmen on the issue, Vice Minister Shen Lyu-shun, said that the foreign ministry had been aware of the confidential document. He declined to say when the government obtained the information or from whom (Chen Ching-fang and Sofia Wu, “Taiwan protests WHO’s denigration of its status,” CNA, May 9, 2011), but, in fact, the underlying issue had arisen as early as the Chen Shui-bian administration.


59 “[Deputy Foreign Minister] Shen [Lyu-shun]: DPP administration participated in WHO technical conferences as ‘Taiwan, China,” Kuomintang News Network (from Taipei papers), May 12, 2011.

60 “Ma fights back against Tsai’s WHO criticism,” *China Post*, May 15, 2011.


Consistent with this instruction, in the WHO Western Pacific Office’s reporting on the March 11, 2011, earthquake and tsunami in Japan, the list of those who had donated aid made more than one reference to “Taiwan, China.” (World Health Organization, Western Pacific Region, “Japan earthquake and tsunami Situation Report No. 12,” March 21, 2011, http://www.wpro.who.int/nr/rdoonlyres/47c212ba-2c21-4dfd-8221-15006cea46e0/0/jpanearthquakesitrep12_21mar2011.pdf.)

Sophia Yeh, Wen Kuei-hsiang and Lilian Wu, “Taiwan takes part in WHA on equal footing with China: president,” CNA, May 9, 2011.

Interviews.

“From beginning to end: DPP presidential primary process,” Democracy and Progress (DPP monthly newsletter), April 2011, http://www.scribd.com/doc/54489885/DPP-Newsletter-April2011. While most commentators have focused on the difference between the favorable “votes” for Tsai vs. Su, and have therefore said that Tsai won by 1.35 percentage points (42.5 vs. 41.15), if one compares the margin of the “victory” over Ma, in fact Tsai’s margin (7.46 percent) was only 0.1 percent greater than Su’s (7.36 percent), revealing how important Su’s active support will be in the presidential campaign.

Lydia Lin, “Tsai unveils campaign dream team,” China Post, June 23, 2011. Su Tseng-chang was named campaign committee “chairman” (主任委員), Frank Hsieh Chang-ting “commander” (總指揮), and Yu Shyi-kun “chief whip” (總督導). In seemingly more operational capacities, Wu Nai-jen was appointed “director-general” (總幹事) of the campaign and DPP Secretary-General Su Chia-chuan and former Taipei County magistrate Lin Hsi-yao were named “executive directors.”


Vincent Y. Chao, “Question of single candidate support clouds DPP poll,” Taipei Times, April 14, 2011.

Wu Chia-hsiang and Chang Li-na, “Interaction at Tsai Ing-wen-Su Tseng-chang meeting,” P’ing-kuo Jih-pao, May 20, 2011 (translated by OSC, CPP20110520397001).


Nancy Liu, “DPP chair emphasizes need for party cooperation in election campaign,” CNA, August 3, 2011.


“Tsai Ing-wen says she’s contemplating a run for president,” Taipei Times, February 9, 2011.


“DPP to monitor economic meeting,” China Post, February 22, 2011.

“DPP Chair Tsai Ing-wen’s remarks at opening of New Frontier Foundation think tank,” DPP, February 23, 2011, http://dpptaiwan.blogspot.com/2011/02/dpp-chair-tsai-ing-wens-remarks-at.html. The English-language “text” of Tsai’s remarks posted by the DPP is not identical to the original Chinese-language text, but it presumably represents how the DPP wanted English-language readers to understand Tsai’s meaning. Therefore, the English-language passages in this essay have been taken from the DPP’s translation.
Occasionally the corresponding Chinese phrase is provided for clarity. The Chinese-language version of Tsai’s speech is available at http://www.dpp.org.tw/news_content.php?sn=4757.
87 S.C. Chang, “Tsai Ing-wen muses on leadership and Taiwan’s problems,” CNA, August 3, 2011.
88 “Interview: Tsai seeks ‘greatest common denominator’,” Taipei Times, August 7, 2011.
89 Consistent with her repeated concerns about the conspiratorial nature of dealings between the Ma administration and the Mainland (Alan D. Romberg, “Cross-Straits Relations: Setting the Stage for 2012,” China Leadership Monitor, no. 34, 2011, p. 5), at a meeting of the DPP legislative caucus in late February, Tsai urged party members to closely monitor the inaugural meeting of the Cross-Straits Economic Cooperation Committee, which carried the risk, she said, of rendering the nation’s constitutional system void. (“DPP to monitor economic meeting,” China Post, February 22, 2011.)
91 Emerson Lim and Elizabeth Hsu, “DPP willing to build ‘feasible, viable’ ties with China: chairwoman,” CNA, June 20, 2011.
92 Jenny W. Hsu, “New DPP think tank to explore Taiwan’s ties with China, world: Tsai,” CNA, February 23, 2011.
In its “Explanation” of a proclamation that was adopted in May 1999 at a party convention in Kaohsiung—a proclamation that rejected the “one China principle” and called for revaluation of the KMT administration’s “one China” position, the DPP’s approach was summed up as follows:
Taiwan is a sovereign and independent country. In accordance with international laws, Taiwan’s jurisdiction covers Taiwan, Penghu, Kinmen, Matsu, its affiliated islands and territorial waters. Taiwan, although named the Republic of China under its current constitution, is not subject to the jurisdiction of the People’s Republic of China. Any change in the independent status quo must be decided by all residents of Taiwan by means of plebiscite. (http://www.taiwandc.org/nws-9920.htm)
99 In her first TV ads after declaring her candidacy, Tsai directed her appeal to young voters. (Sofia Yeh, Yeh Tsu-kang, and Bear Lee, “Tsai appeals to young voters in first TV ads,” CNA, March 21, 2011.) Beyond her own policy perspective, Tsai’s strong standing with those voters under 40 is perhaps a factor in this emphasis on the challenges facing the rising generations.
100 Former presidential candidate Frank Hsieh Chang-ting proposed that Taiwan adopt what he called a “constitutional consensus.” This would involve a “one Constitution, two interpretations” approach externally and an “overlappng consensus” domestically. (“Huang Tai-lin and Vincent Y. Chao, INTERVIEW: Frank Hsieh explains his ‘constitutional consensus’ proposal,” Taipei Times, January 30, 2011 [Part I] and January 31, 2011 [Part II].) But it wasn’t clear how this would really appeal to Beijing, much less be accepted at home.
Former premier Su Tseng-chang, Tsai’s main rival for the nomination, proposed a “Taiwan Consensus,” the essence of which, he said, is Taiwan’s “existence” as the top priority, and “democracy” as the cornerstone. He stressed that what counts most is a common consensus instead of creating something new simply to “be different” or to avoid being caught in the “one China” framework. (“Consensus cannot focus on one-China issue: Su,” China Post, February 18, 2011.) By adopting his approach, Su said, and
adhering to the position of the DPP 1999 Resolution on Taiwan’s Future, which defines Taiwan as a separate country from the Mainland, one would better protect Taiwan’s sovereignty. (Vincent Y. Chao, “Su proposes consensus,” *Taipei Times*, February 17, 2011.) In fact, although Tsai has not defined the “Taiwan Consensus” she later started to call for, her thinking about it appears to be close to Su’s idea.

Former vice president Annette Lu has for some time been promoting what she calls the “1996 Consensus,” that is, a recognition by people throughout Taiwan that the first democratic presidential election, which took place in 1996, consolidated Taiwan as a sovereign state. (Vincent Y. Chao, “Beijing says ‘1992 consensus’ is an ‘objective truth,’” *Taipei Times*, January 13, 2011.)


Ibid.

“Interview: Tsai, more mature DPP hopes to build up public’s trust,” *Taipei Times*, August 6, 2011.


Emmanuelle Tseng and S.C. Chang, “DPP also-ran urges greater attention to ‘economic voters’,” CNA, April 27, 2011.


Chris Wang, “Tsai details DPP’s cross-Strait policies,” *Taipei Times*, August 24, 2011. According to some press reports, DPP spokesmen urged that the “Taiwan consensus” not be seen as replacing the “1992 Consensus,” arguing that the DPP would not necessarily abandon the key substantive point of the “1992 Consensus” if it came to power. In this regard, they reportedly said that the party was open to considering the principle of “one China, respective interpretations.” (Yen Kwang-t’ao, “Will ‘1992 Consensus’ be replaced by ‘Taiwan Consensus’? Chen Chung-hsin urges media not to interpret it this way,” (台灣共識取代九二共識？陳忠信：勿如此解讀), *Central Daily News*, August 24, 2011, http://www.cdnnews.com.tw/cdnnews_site/docDetail.jsp?coluid=107&docid=101638680.)


Private conversations.


Ma Ying-jou, “US-Taiwan relations.”


In what still must be considered relatively early days, and given the inconsistencies even between polls taken at short intervals by the same polling organizations, one needs to treat all of these data with care. What tends to be consistent among them, however, is a very large pool of undecided voters. In a recent Manpower Survey Results report, the DGBAS reported that the unemployment rate for those between 20 and 24 years of age during the first half of 2011 was 12.54 percent, for those 25 to 29 it was 7.33 percent, and for those 30 and older it was below 4.5 percent (below 3.5 percent for those over 35). These rates are somewhat higher than for each age group in 2008 and the six years preceding that, but they are considerably below 2009 rates and have been trending downward starting in 2010. So, while this situation does represent a vulnerability for Ma, the fact is that unemployment rates since at least 2002 have been considerably higher for 20- to 24-year-olds than for older groups, and higher for 25- to 29-year-olds than for those over 30. But the percentage of unemployed in all categories is higher now than between 2002 and 2008. (“Manpower Survey Results, June 2011,” http://eng.dgbas.gov.tw/ct.asp?xItem=29556&ctNode=3339; “Manpower Survey Results, May 2008, http://eng.dgbas.gov.tw/ct.asp?xItem=19593&ctNode=3339; “Manpower Survey Results, January 2005, http://eng.dgbas.gov.tw/ct.asp?xItem=12790&ctNode=3339.)

120 蔡英文提到，在馬英九就職三周年期間，馬英九在其就職三周年演講中表示，將簽署的“中華人民共和國與中華民國兩岸關係條約”及“中國與台灣關係條約”等條約，將成為未來兩岸關係的基礎。

121 Recall that the DPP candidate, William Lai Ching-te, won the mayoral election in greater Tainan last November by over 200,000 votes. (Alan D. Romberg, “Cross-Strait Relations: Setting the Stage for 2012,” *China Leadership Monitor*, no. 34, 2011, pp.10–11.)


123 President Ma Ying-jeou, “Four More Years” (see endnote 120).

124 According to a poll commissioned by the Taiwan Public Opinion Studies Association and conducted by Shih Hsin University in early May, among voters in their 20s, Tsai received 50.9 percent support, Ma only 33.6 percent. (Vincent Y. Chao, “Female voters favor Ma over Tsai, but youths prefer Tsai, survey data shows,” *Taipei Times*, May 14, 2011.)

This result is more or less consistent with a TVBS poll taken around the same time (“Survey after Ma Ying-jeou has been in office for three years” [馬英九總統就職三週年民意調查], TVBS Poll Center, May 16–19, 2011, http://www1.tvbs.com.tw/FILE_DB/PCH/201105/94esys0c02.pdf). But over the succeeding weeks, some polls showed Ma picking up strength among the 20- to 24-year-old cohort and in other age groups under 40, while holding his lead among older voters. At the same time that some polls tended to show Ma opening a lead of 5 to 6 percentage points beyond the margin of error, the DPP and pro-Green press reported a much tighter race. The DPP reported that this was due, in important part, to the fact that about 720,000 pan-Blue voters would switch to Tsai, while another 1,045,000 pan-Blue voters would not vote. (Chen Heng-kuang, “Green predicts that 720,000 pan-Blue voters will switch to Green, 1 million pan-Blue voters will not cast ballots,” [綠營預估72萬人轉綠百萬人不投票], *Central Daily News*, July 11, 2011, http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=101590421.

In what still must be considered relatively early days, and given the inconsistencies even between polls taken at short intervals by the same polling organizations, one needs to treat all of these data with care. What tends to be consistent among them, however, is a very large pool of undecided voters. In a recent Manpower Survey Results report, the DGBAS reported that the unemployment rate for those between 20 and 24 years of age during the first half of 2011 was 12.54 percent, for those 25 to 29 it was 7.33 percent, and for those 30 and older it was below 4.5 percent (below 3.5 percent for those over 35). These rates are somewhat higher than for each age group in 2008 and the six years preceding that, but they are considerably below 2009 rates and have been trending downward starting in 2010. So, while this situation does represent a vulnerability for Ma, the fact is that unemployment rates since at least 2002 have been considerably higher for 20- to 24-year-olds than for older groups, and higher for 25- to 29-year-olds than for those over 30. But the percentage of unemployed in all categories is higher now than between 2002 and 2008. (“Manpower Survey Results, June 2011,” http://eng.dgbas.gov.tw/ct.asp?xItem=29556&ctNode=3339; “Manpower Survey Results, May 2008, http://eng.dgbas.gov.tw/ct.asp?xItem=19593&ctNode=3339; “Manpower Survey Results, January 2005, http://eng.dgbas.gov.tw/ct.asp?xItem=12790&ctNode=3339.)

125 According to a poll commissioned by the Taiwan Public Opinion Studies Association and conducted by Shih Hsin University in early May, among voters in their 20s, Tsai received 50.9 percent support, Ma only 33.6 percent. (Vincent Y. Chao, “Female voters favor Ma over Tsai, but youths prefer Tsai, survey data shows,” *Taipei Times*, May 14, 2011.)
race with James Soong thrown into the mix. Head-to-head, Ma was ahead by 7 percentage points. When Soong’s possible candidacy was thrown into the equation, however, TVBS reported that the race tightened to 38 vs. 36 percent, still in Ma’s favor but within the poll’s claimed 2.4 percent margin of error. Of the 13 percent of respondents’ support that Soong garnered, 2 percentage points came from Tsai and 4 points from undecideds, while he ostensibly drew 7 points from Ma. In the head-to-head match, Ma led among voters over 40 years of age, while Tsai led among those younger than 40. When one examined the effect of Soong’s presence by age group, Ma lost 6 to 9 percentage points across all groups under 60 years of age whereas Tsai lost only 1 or 2 percentage points in each group. (Both lost 3 points from over-60 voters.) Thus, with Soong in the race, according to that TVBS poll, Tsai’s favorable margin in the under-40 groups grew and Ma’s favorable margin among older voters shrunk, yielding the much tighter race. (“The influence of [James] Soong Chu-yu on the 2012 presidential election” [2012年總統大選宋楚瑜影響力民調], TVBS Poll Center, July 21, 2011, http://www1.tvbs.com.tw/FILE_DB/PCH/201107/0zy0w44l4l.pdf). A mid-August TVBS poll also showed Soong eating into Ma’s lead, with his entry into the race reducing Ma’s seven-point lead to only four points. (“Opinion Poll five months ahead of 2012 presidential election,” [選前五個月2012總統大選民調], August 15, 2011, http://www1.tvbs.com.tw/FILE_DB/PCH/201108/brrtf4y454.pdf). An English-language account of this poll is available at “TVBS Opinion Poll: Ma: 39% Tsai: 35% Soong: 16%,” KMT News Network, August 15, 2011, http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=9995.) On the other hand, a China Times poll taken in early August seemed to show that Soong’s entry into the race would have no significant effect. (“本報最新民調 宋參選 影響小 馬33％蔡32％宋10％,” China Times, August 5, 2011, http://news.chinatimes.com/focus/50109313/112011080500082.html). An English-language report on this poll is available at Sofia Wu, “Talk of the Day—Poll finds Soong a non-factor in presidential race,” CNA, August 5, 2011. Other polls over the course of succeeding weeks also seemed to show that while Soong’s candidacy would draw votes from both Ma and Tsai, it would not seriously favor one or the other. (“UDN opinion polls on 2012 presidential and legislative elections,” KMT News Network, August 15, 2011, http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=9988.) (The original UDN report is available at http://udn.com/NEWS/NATIONAL/NATS3/6526624.shtml.) Despite its earlier polling that showed Soong having a meaningful impact, even a later TVBS poll seemed to support this conclusion. (“Public opinion poll on the presidential election, unification, independence, and national identity,” [總統大選與統獨國族認同民調], August 30, 2011, http://www1.tvbs.com.tw/FILE_DB/PCH/201108/mcq69ajqc7.pdf.)
opposed unification while only 31.2 percent were in favor. Moreover, even among “Mainlanders” in Taiwan, 15.7 percent of respondents said they saw “no need for unification” while only 12.8 percent said “it is OK for both sides to be unified.” Asked a different way, 15.7 percent of respondents said they supported “eventual unification,” while 69.6 percent said they did not. Of particular note, 65.6 percent of pan-Blue supporters opposed eventual unification, while only 25.6 percent were in favor. Moreover, even among “Mainlanders” in Taiwan, more than half opposed unification while only 31.2 percent were in favor.
Answering a question as to whether they supported ultimate independence for Taiwan, 49.3 percent did, while 34.7 percent did not.

In actuality, while GVSRC numbers are less favorable to the Mainland’s goal of unification than results in February 2006, they are not vastly different from results in September 2008, the first time GVSRC tested the waters on these issues after Ma assumed office. Support for unification (or opposition to it) moved the greatest amount against the PRC’s desires in this period, but only by a few percentage points. What they have decidedly not done, however, is move in the PRC’s direction, and that has caught the attention of people on the Mainland, who see Ma as blocking Taiwan independence, but not strongly promoting unification as some had apparently hoped. As one Mainland scholar put it, “If Ma is elected for a second term, we hope that he will do something that will earn our trust instead of simply following certain policies of Lee and Chen that encourage independence.” (He Ming-guo, “Chinese scholars concerned by cross-Strait identity gap,” WantChinaTimes.com, January 22, 2011, http://www.wantchinatimes.com/news-print-cnt.aspx?cid=1301&MainCatID=13&iid=20110122000008.)


“Beijing welcomes Taiwan’s new unitive [sic] wording,” Xinhua (carried by China Daily), February 23, 2011.

Fu Wen, “Ma calls for use of term ‘Mainland’,” Global Times, February 9, 2011.

“What’s in a name? In politics, everything,” Global Times (Observer), February 9, 2011.

Although Ma did not reject political dialogue in a second term, he refuted reports that he was affirmatively committed to such a dialogue:

I have never said such a thing, as we have no timetable . . . We still have a long way to go [in completing the work started by ECFA]. Therefore, I believe that we should finish the matters at hand first, as they concern the economy and people’s livelihoods, and are of primary concern to our citizens. There is currently no pressing need to deal with political issues. In fact, mainland China takes a similar position. (“President Ma Ying-jeou reiterates cross-Strait policies,” [partial transcript of March 3 interview with the Financial Times-FIT], Kuomintang News Network [from Taipei papers], March 9, 2011, http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=9319. An FT story based on the interview is available at Robin Kwong and David Pilling, “Taiwan’s trade link with China set to grow,” Financial Times, March 7, 2011, http://www.ft.com/cms/s/0/afe80f9e-48db-11e0-a8a8c-00144feab49a.html - ixzz1LnoZCWv4. A full Chinese-language transcript of the interview released by Ma’s office on March 8 is available at http://www.preident.gov.tw/Default.aspx?tabid=131&itemid=23711&rmid=514.

Ma reiterated this theme in his May 12 videoconference, taking a shot at the DPP in the process:

In concluding the 15 agreements in the last three years, once in a while, we [would] touch [an] issue that is [not], by nature, a political one, but sometimes has political meaning or significance. So we have handled that . . . But, at the moment, [we] do not consider it as the most urgent thing to tackle. The sort of pure political issues, for instance, sovereignty or confidence-building measures—those are important. Those are not excluded in our agenda. But obviously, at the moment, we don’t have any timetable for that. As I repeatedly said, our hands are full with all those issues that are deeply involved with our people’s livelihood. As you know, the eight years before we took office, a lot of the things were actually . . . left idle, without any progress. And what we have been doing in the last three years is really to make up the lost eight years. So far, we haven’t finished that job yet. (Ma Ying-jeou, “US-Taiwan relations.”)


152 “我们也希望台湾方面珍惜两岸关系来之不易的良好局面，做有利于两岸关系改善和发展的事情。” (State Council Taiwan Affairs Office Press Briefing, June 29, 2011, http://www.gwytb.gov.cn/xwfbh/201106/t20110629_1905678.htm.) Unusually, this gentle prod came in the context of responding to a question about Ma having reiterated his request for F-16C/D aircraft from the United States. Beijing’s common practice is to concentrate its fire on this issue on Washington.


154 Jimmy Chuang, “Taiwan must ‘choose correctly’ in elections: Jia Qinglin,” WantChinaTimes.com, May 7, 2011, http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20110507000125&cid=1101. While PRC domestic reporting of this speech highlighted Jia’s reference to maintaining the current bases of cross-Strait relations (“Compatriots from both sides on the Taiwan Strait should continue their joint efforts to oppose secessionists’ activities seeking ‘Taiwan independence’ and stick to the 1992 Consensus, wherein both sides of the Taiwan Strait adhere to the one-China principle, and work together to maintain the good situation in the cross-Strait relations so as to create better conditions for furthering cross-Strait ties in the future”), it omitted any reference to “choosing correctly.” (“Senior CPC official urges steady development of cross-Strait ties,” Xinhua, May 5, 2011, http://news.xinhuanet.com/english2010/china/2011-05/07/c_13862812.htm.)


157 Private conversations.

158 Private conversations.

159 The difficulty of coming to terms even when governments are engaged was seen in the failure of banking regulators, when they met in April, to reach agreement on relaxing banking restrictions due to the complexity of the regulations on each side and various political considerations. (Lawrence Chung, “Cross-Strait banking talks end without deal to ease regulations,” South China Morning Post, April 26, 2011.) Without talks at that level, it is difficult to see how any progress could be made.

160 Private conversations.


162 双方都坚持体现一个中国原则的“九二共识”，尽管双方对一个中国政治内涵的认识有所不同，但可以求同存异，求同存异正是“九二共识”的精髓所在.

163 Although Xinhua’s English-language service reported in March 2008 that President Hu Jintao told President George W. Bush that the “1992 Consensus” “sees both sides recognize there is only one China, but agree to differ on its definition” (“Chinese, U.S. presidents hold telephone talks on Taiwan, Tibet,” Xinhua, March 27, 2008, http://news.xinhuanet.com/english/2008-03/27/content_7865209.htm), and Ma Ying-jeou has frequently cited this as proof of Beijing’s concurrence with his “one China, respective interpretations” formulation, PRC officials claim privately that Hu never said such a thing, and that whatever the PRC interpreter may have said on the phone, and whatever Xinhua English reported, it was not the PRC position. (Private conversations.) Xinhua’s Chinese-language report did not include that amplification of the “1992 Consensus,” nor has any other official PRC statement. That said, Beijing has not chosen to publicly contradict Ma’s statements or disown the Xinhua English-language account.


Ibid. Chen’s blunt statement stands in contrast to the more nuanced justification for military modernization provided in the recent PRC White Paper on China’s Peaceful Development:

The fundamental purpose of modernizing the Chinese armed forces is to safeguard China’s sovereignty, security, territorial integrity and interests of national development. (“Full text: China’s Peaceful development,” Xinhua, September 6, 2011.) Whether this was intended to signal that the reactions would be equally serious, however, is not clear.

On the other hand, a recent opinion piece by a well-connected PRC analyst suggests that sales of F-16 C/Ds and refitting the F-16 A/Bs sold in the 1990s would both create serious problems. (Zhang Tuosheng, “Cross-Straits ties progress,” China Daily, June 3, 2011.) Whether this was intended to signal that the reactions would be equally serious, however, is not clear.


Chou Yung-chiieh and Bear Lee, “181 U.S. congressmen urge prompt sale of F-16 C/Ds to Taiwan,” CNA, August 1, 2011.


Liu and Lu, “US may announce decision” (see endnote 172).


“Taiwan developing new ‘aircraft carrier killer’,” Agence France-Presse (AFP), August 14, 2011, disseminated by *Space Daily*, [http://www.spacedaily.com/reports/Taiwan_developing_new_aircraft_carrier_killer_999.html](http://www.spacedaily.com/reports/Taiwan_developing_new_aircraft_carrier_killer_999.html).