



## TAIWAN'S 2012 PRESIDENTIAL AND LEGISLATIVE ELECTIONS: WINNERS, LOSERS, AND IMPLICATIONS

By Jacques deLisle

*Jacques deLisle is Director of FPRI's [Asia Program](#) and Stephen A. Cozen Professor of Law and Professor of Political Science at the University of Pennsylvania. To tune in to a panel discussion on Taiwan's elections, featuring Shelley Rigger, Vincent Wang, Terry Cooke, and Jacques deLisle, visit: <http://www.fpri.org/multimedia/2012/20120120.panel.taiwan.html>*

### MA YING-JEU AND THE KUOMINTANG: A LIMITED WIN

The American political phrase, “Don’t change horses in midstream,” does not, alas, translate well in Taiwan, but it does capture much of the tone of the recent elections on the island. Voters opted for continuity over perceived risk and uncertainty—including in relations with Mainland China—when they returned President Ma Ying-jeou (whose surname, appropriately enough, means “horse”) to a second and final four-year term and gave his Kuomintang (Nationalist) Party a continued majority in the legislature. In Taiwan’s fifth fully democratic presidential election and first-ever concurrent legislative and presidential balloting, the incumbent president received 51.6 percent, outpacing his principal challenger Tsai Ing-wen’s 45.6 percent, and KMT candidates secured 64 of 113 seats in the Legislative Yuan while candidates from Tsai’s Democratic Progressive Party won 40 seats.

Ma’s six-point margin represented a solid victory, exceeding the four percent gap, more or less, indicated in several of the final published polls (which under Taiwan’s laws cannot be released during the last ten days before an election) and the even narrower margin that many observers predicted in the final days of the campaign. Ma, as well as many analysts and some post-election polling, portrayed the outcome as a positive referendum on three issues: (1) his policy of improving cross-Straits relations from the nadir they had reached under his predecessor, the DPP’s Chen Shui-bian; (2) Taiwan’s improving economy which, while performing somewhat poorly by the standards to which Taiwanese have become accustomed, was faring better than most of the industrialized world, and was benefitting from expanded ties to the Mainland achieved under Ma’s policy of rapprochement and, Ma argued, other measures to liberalize and revitalize the economy; and (3) restoration of public confidence in clean government after the corruption scandals that plagued the Chen administration’s final years and led to conviction and a long prison sentence for the former president.

Still, the wins by Ma and the KMT were far short of an overwhelming endorsement or a clear mandate for moving forward rapidly with cross-Straits ties or any other bold policy initiative. Compared to 2008, Ma’s margin shrank from 17 percent to 6 percent. The KMT’s nearly three-quarters share of the legislature—and, with its allies, a still-larger supermajority that allowed it to send constitutional amendments to the voters without DPP cooperation, had it chosen to do so—shrank to a fairly slim majority. Moreover, support for Ma appears to have been thinner and weaker than the numbers may suggest. Former KMT elder and 2004 KMT vice presidential candidate James Soong received 2.8 percent of the vote in his second presidential bid as a third party candidate. Although a large portion of Soong’s small slice of the electorate likely would have voted for Ma in a two-way race, many might well have stayed home. Much of Ma’s over-performing, by a few percent, the modest poll-based expectations is probably attributable to strategic voting by pro-Soong voters who, at the last moment, switched to Ma because they believed reports that the race between Ma and Tsai was tightening and that their votes for Soong thus could throw the election to Tsai. This explanation makes sense of the otherwise odd pattern that People’s First Party standard-bearer Soong trailed—by about three percent—the share garnered by the party he created and led in the “party ticket” or proportional representation vote for the legislature.

A widely believed explanation for the decision to combine the presidential and legislative elections is that the KMT believed Ma would benefit from a reverse coat-tails effect. Many KMT-leaning voters and many politicians in the KMT lacked enthusiasm for Ma. This was the apparent message of the unusual “de-branding” in the 2012 contest: many KMT candidates, especially but not only in the pro-Tsai and traditionally pro-DPP areas of southern Taiwan, avoided association with the president in their campaigns and eschewed the traditional KMT symbols and colors on their banners and pamphlets. The

risks of desultory voter mobilization efforts and anemic pro-KMT voter turn-out that Ma might have faced in a stand-alone presidential election would be ameliorated—or so the thinking went—by two-in-one balloting. On this view, party operatives and parliamentary candidates would work hard to get out the vote for the legislative election, and those voters, as long as they were in the booth, would likely vote for Ma.

The timing of the election—whether fortuitous or, in the view of critics, manipulated—may also have skewed (or sought to skew) voting in Ma's and the KMT's favor. Absent significant legal changes that the KMT-dominated government did not undertake, a new legislature was due to be sworn in at the beginning of February and the next presidential term was not to begin until May 20. Taiwan votes on Saturdays, and the major holiday period of Chinese New Year would get underway in earnest the weekend of January 21. Under these circumstances, the stated goal of holding a combined presidential-legislative election as late as possible (and thus to minimize the transition period between presidential election and inauguration) pushed the date for voting to January 14. This schedule was widely expected to encourage more of the hundreds of thousands of Taiwanese living and working on the Mainland to take an extended holiday and return to Taiwan to vote and—if the conventional wisdom about their political leanings is accurate—mostly vote pro-KMT. Late in the campaign, several prominent Taiwanese business leaders—a group once notably pluralistic in its political leanings but increasingly dependent on economic opportunities in the Mainland—came out strongly in favor of the cross-Strait policy of Ma and the KMT. As the election drew near, stories circulated that Chinese authorities—in a deliciously ironic display of support for electoral democracy—were subsidizing tickets for Taiwanese on the Mainland who wanted to go home to vote and were bumping Mainlanders from cross-Strait flights to free up seats for Taiwanese voter-returnees. Less dramatically, the choice of January 14 also put election day opposite final exams for Taiwanese university students who presumably would be deterred from traveling home to vote and who were generally thought to be pro-DPP (especially the subset of them registered in southern Taiwan but attending university in the north).

Despite the combined parliamentary and presidential contests and the special factors thought likely to foster voting by Taiwanese residing on the Mainland, turn-out was low by Taiwan presidential election standards, meaning Ma's majority share encompassed fewer voters. At 74%, turn-out was the lowest ever in Taiwan's five rounds of direct presidential elections. The comparatively high no-show rate came as no surprise to long-time observers of Taiwan's electoral politics. Across the island, campaign activities were notably subdued compared to the raucous norm. Most took this to be a sign of relatively low public enthusiasm for either of the major presidential candidates. Perhaps accounting for some of the lack of voter excitement (and further undermining any claim of a policy mandate), much of Ma's campaign—and a significant part of Tsai's—was about why voting for the opposing candidate was a bad, even dangerous, idea. A key KMT message—amply reinforced by statements and signals from Beijing and Washington—was that if Tsai were elected, it would imperil the progress achieved in relations with Mainland China and the benefits it had brought for Taiwan's economy or security. A commonly used phrase around the island in the run-up to the election was that people were voting with tears in their eyes—the local, less snarky equivalent of “hold your nose and vote for X” or “choosing the lesser of two evils.”

#### **TSAI ING-WEN AND THE DEMOCRATIC PROGRESSIVE PARTY: A COMPLICATED LOSS**

Despite partisan and internal polls suggesting a very close race near the end, the DPP's defeat was expected by many party insiders and well-informed observers although the magnitude of the gap was less widely foreseen and a source of concern. To be sure, there was much for the DPP to celebrate even in defeat. Thanks partly to Tsai's leadership of the party and her notable improvement as a candidate from a relatively weak start, the outcome of the 2012 election showed that the DPP had recovered impressively from the dismal state it had reached only four years earlier. Beset by the corruption scandals of the Chen administration and facing an electorate weary of Chen's identity politics hectoring and concerned about the poor state of cross-Strait and U.S.-Taiwan relations, the DPP suffered an electoral rout in its first presidential face-off with Ma and the KMT. A six-point gap was disappointing but it was far less than the 17-point drubbing endured by DPP candidate Frank Hsieh in 2008. Some of those same factors, plus what were widely seen as KMT-benefiting reforms that shifted from multi-member legislative districts and a single non-transferable vote system to more U.S.-style single-member districts with no run-offs, shrank the DPP's share of the legislature to less than one-quarter, below the minimum needed even to block constitutional amendment proposals and far below the percentage of seats the DPP and its allies had held as the minority block in pre-2008 legislatures.

In a few short years, Tsai and others had moved the party mostly out from under Chen's shadow. They had pursued positions nearer the political center on vital issues of Mainland relations and Taiwan's international status. The DPP and Tsai had: accepted Ma's cross-Strait Economic Cooperation Framework Agreement (after initial opposition); become willing to speak again of the Republic of China as the equivalent of Taiwan (following Tsai's earlier characterization of the ROC as a government in exile); and put forth the notion of a Taiwan Consensus which—although vague and at odds with the “1992 Consensus” embraced by Ma and accepted by Beijing—did not insist on independence as the only end-state to be pursued.

The DPP also took significant steps to recast itself as the more progressive party on social and economic issues. The Tsai campaign's central slogan was “fairness and justice” and it sought to speak to the “Occupy Wall Street”-like sentiments that have emerged in Taiwan amid growing perceptions that inequality is serious and worsening, that housing has become

unaffordable for the middle class (and more) in Taipei, and that the benefits of closer economic ties with the Mainland have been severely skewed toward the already well-off. In keeping with this reorientation, the DPP, somewhat like the KMT, “de-branded” or “rebranded” during the 2012 campaign. For the DPP too, the color scheme was telling. Yellow, black, pink and other colors pushed to the margins the venerable DPP green and its close association with Taiwan independence and an at least somewhat anti-Chinese Taiwan identity. The change in tone and hue was also part of an attempt to appeal to younger voters, less attracted by the traditional DPP agenda. The at-least-partial success of this effort seemed evident in the increased share of younger people at what had become increasingly geriatric DPP rallies and in the KMT’s palpable worry that the demographic would swing toward Tsai. The DPP’s substantial gains in the Legislative Yuan also suggested that the party had learned relatively rapidly how to adapt to the changed rules of the parliamentary electoral game that had seemed to work much to the KMT’s advantage in 2008.

But the problems for the DPP in the aftermath of the 2012 election are more disconcerting and complicated than the mere fact of losing a moderately close race. The sharp rise in the DPP vote share from 2008 levels may not portend further gains. It may not be much more than a return to normal baselines for a party that routinely wins a low to mid-forties share but that has only once won a majority in an island-wide election (Chen’s razor-thin 2004 reelection, perhaps aided by an eleventh-hour assassination attempt and bitterly disputed by the KMT).

The DPP came up short in 2012 despite some relatively favorable circumstances. To be sure, Ma had the advantages of incumbency, a fortuitous combination of relatively good economic conditions and popular anxiety about the future, and relatively wide support for his first-term achievements in cross-Strait economic relations. Nonetheless, Ma was not the most formidable of candidates. He suffered from a widely-noted lack of charisma, weak approval ratings, and shaky loyalty from within his notoriously fractious party. Ma’s KMT had only a thin agenda for addressing the social and economic issues, which increasingly worried voters, and not much of a robust positive message of any sort.

More fundamentally, many of the factors that favored the KMT in 2012 seem likely to endure. The single-member district structure for the legislature and the conjoined legislative and presidential elections are likely to persist. Having coped with the sharp reduction in resources that came with its loss of power more than a decade ago, the KMT has consolidated a formidable financial advantage over the DPP. In the 2012 campaign, the DPP engaged in notably successful symbolic politics with its “three little pigs” campaign. Inspired by three young girls who, accompanied by their grandfather, offered their piggy banks with their meager savings to Tsai at an October rally, ordinary citizens collected over NT\$200 million (nearly US \$7 million) for the party in nearly 150,000 coin-filled plastic piggy banks. This did much for the DPP’s populist image and scored additional points thanks to an initial tin-eared response from the Control Yuan—the branch of government charged with addressing various forms of public malfeasance and headed by KMT appointees—which threatened to investigate the girls’ inspirational donation as an illegal contribution under laws that ban those not eligible to vote from giving funds to political parties. Nonetheless, the three little pigs drive, in the end, also reflects the DPP’s intractable disadvantage in a political landscape where money matters. At the same time, another vital source of DPP financial support may be dwindling. At least some (including some very prominent) Taiwanese business leaders who once gave generously to the DPP cause are turning neutral or pro-KMT for such overlapping reasons as their belief that KMT rule will be better for their Mainland-linked business interests, or, perhaps, pressure from PRC authorities, or fears of retaliation by PRC authorities.

The greatest challenges for the DPP coming out of the election may be determining what lessons it will draw and what adaptive measures it can and will take. One plausible inference, drawn by outside observers and resonating with many DPP insiders, is that the party needs to go further down the path it embarked upon in 2012: seek the center of Taiwan’s political spectrum; push farther to the margins its congenital association with Taiwan independence and the more fundamentalist strains of Taiwanese identity politics; focus more on domestic social and economic issues; and find a way to assuage voters’ doubts (reinforced by the Mainland and the United States) about the DPP’s ability to steer clear of serious problems in cross-Strait relations. Notably, 2008 DPP presidential candidate Frank Hsieh called after the 2012 election for a party position on cross-Strait issues closer to the KMT-endorsed 1992 Consensus.

But this possible lesson coexists with another, very different one that appears to have substantial pull within the DPP. On this view, for the DPP to ignore its activist base is an act of mortal—as well as moral—peril. Several bits of evidence were offered to support this conclusion. Turn-out was below average and vote margins were disturbingly slim for Tsai in traditional DPP strongholds in southern Taiwan. Roughly one in four Tsai voters supported the more strongly pro-independence Taiwan Solidarity Union on the party ballot. Tsai’s strategy of relative deemphasis on playing to the base coincided with another electoral defeat. In the immediate aftermath of the election, no clear choice among the DPP’s alternative paths appeared imminent, with the selection of the next party leader ahead and leading voices in the party foreseeing a period of “soul-searching.”

The various external and internal impediments to DPP victories in future Taiwan-wide elections are far from insurmountable, however. The party has been remarkably resilient and adaptable. It needs to close a gap between its reliable baseline vote and a majority of only several percentage points—something that could be within the reach of strong candidates or the right policies on salient issues. The DPP also can benefit from its principal opponent’s weaknesses. The KMT’s unity behind Ma is

largely the product of a desperate desire to recover power after a first-ever experience of being out of office during the Chen Shui-bian years. Recent solidarity may not survive Ma's constitutionally mandated retirement in 2016. The KMT is amply capable of missteps in policy and governance that could drive enough voters to the DPP to swing an election, all the more easily if a third party challenge eats more than marginally into the KMT's base. More broadly, there remains much popular resentment toward the KMT's role in Taiwan's authoritarian past. A now-deep commitment to democracy in Taiwanese society likely creates a significant desire to see at least an occasional alteration in power among political parties.

## TWO MINOR PARTIES AND DEMOCRACY: TAIWAN'S CLEAREST WINNERS

Although Ma and the KMT came out on top in the elections, the clearer triumphs went to others. Two of Taiwan's minor parties won big with small vote shares. They broke the duopoly that the KMT and DPP had achieved in Taiwan's legislature after constitutional reforms—ones expected to promote a two-party system—shrank the legislature's size, introduced single member districts with first-past-the-post voting rules, and established a comparatively high threshold of 5% for winning any of the minority of seats allocated by proportional representation. Although James Soong won a disappointing 2.8% of the popular vote, he achieved his principal electoral goal. With nearly 6% of the "party ticket" vote and victory in one of the special constituencies for Taiwan's small aboriginal population, Soong's People's First Party reached a key threshold for viable participation in future elections and secured the minimum three seats necessary to form a caucus in the Legislative Yuan. Caucus rights are important under Taiwanese legislative procedure because they allow a party to participate in the complex, not-simply-majoritarian process by which almost all legislation occurs.

The outcome for the Taiwan Solidarity Union was even more striking. Founded by former president (and former KMT leader) Lee Teng-hui, the TSU is pro-independence and the party most critical of Ma's cross-Strait policy among Taiwan's political parties. Although scholars, analysts and operatives extensively discussed the PFP's prospects, the TSU's success seems to have come as something of a surprise. Like the PFP, the TSU reached the minimum of three representatives needed to form a caucus in the Legislative Yuan. The TSU did it without much of a campaign and without running any candidates in the district elections. Its seats came instead from winning a stunning nearly 10% in the party ticket balloting. The elderly Lee's emotional appearance at Tsai's election-eve rally is thought to have moved many pro-independence voters to give their hero one last show of support in the legislative contest (while also casting their presidential vote for Lee's endorsee Tsai). The DPP's position of encouraging, or at least acquiescing in, its supporters giving some of their party slate votes to the TSU surely deserves some credit as well.

Longer term prospects for the PFP and the TSU are uncertain, however. The structural features of Taiwan's election rules since 2008—ones conducive to a two-party system—appear firmly in place. And the relative success of the PFP and the TSU—which have greatly outshone Taiwan's several other minor parties—owes much to their aging founding leaders, Soong and Lee.

The biggest victor in Taiwan's 2012 vote was Taiwan's democracy. Turn-out rates among registered voters reliably above 70—and typically three-quarters or more in presidential contests—are solid to strong by international standards among established democracies. Participation rates among registered voters are a good deal more impressive in light of several features of Taiwan's system. Taiwan achieves extremely high rates of registration of eligible voters, thanks to a pervasive system of household registration. Election law prohibits absentee voting and thus requires millions of eligible voters who live away from their site of household registry—elsewhere in Taiwan, across the Strait or in other parts of the world—to travel in order to vote. Voters must cope with complex ballots. In 2012, they had to select a presidential-vice presidential team, cast a "party ballot" for proportional representation seats in the legislature, and vote for a "district representative" for a voter's regional constituency or, in the case of members of Taiwan's small aboriginal population, a mixed ethnic-geographic special constituency. In recent past elections, the legislative ballots were different and referenda were on the agenda as well. Also, Taiwan has a recent history of frequent, roughly annual major elections (something the combined legislative and presidential election in 2012 was in part designed to address), which has led to a widespread sense of voter fatigue.

Although there continue to be some problems with vote buying, trenchant critiques of the role of money in politics and worries about declines in public confidence in the merits of democracy, election day procedures have remained a paragon of transparency and efficiency. As in the past, voters in this election went to neighborhood polling stations with ample oversight by poll-workers, police, party representatives and others to prevent electioneering, pressure or infringement of the right to ballot secrecy. Within minutes after the polls closed, the now-familiar and strikingly efficient ritual began of hand-counting the votes in situ—with each paper ballot displayed to an audience of party monitors, election observers, members of the public and foreign visitors, and then tallied on a board visible to all.

Most significantly, all sides accepted the outcome as legitimate. As in 2008, the DPP's presidential candidate conceded defeat and publicly took responsibility for the campaign's having fallen short of its goals. To be sure, disappointed DPP leaders and loyalists complained about factors that they argued gave the KMT undue advantages—the conjoined elections, the support signaled by Beijing and Washington, the expanded opportunities for travel back to Taiwan made available to Mainland-resident voters, the seeming asymmetrical zeal of inquiries into possible election law violations by the KMT and the DPP, and

so on. But, in a striking contrast to the reaction to Chen's narrow and disputed win in 2004, there was no challenge to the fundamental legitimacy of Ma's election. At the same time, a reelected Ma promised—albeit to a somewhat skeptical reception—to take seriously the criticisms from his two opponents and to consult regularly with opposition party leaders.

What the latest vivid example of Taiwan's strong and maturing democracy means for the prospects for democratization in Mainland China is murkier and more modest. Ma has often touted Taiwan's democracy as a beacon for change on the Mainland. And it is tempting to see increased hope for that prospect in the 2012 elections. Through social media and other channels, the processes of Taiwan's electoral democracy, including the presidential debates, became unprecedentedly accessible to Mainland residents. The democratic practices on display were, by any fair measure, appealing: peaceful, open, civil, and characterized by fairly high levels of public enthusiasm, a significant focus on serious policy issues and candidates determinedly and humbly courting voters' support. Moreover, the outcome was acceptable on the Mainland to both the leadership and the orthodox, widely held public opinion favoring eventual unification of Taiwan. Surely, Taiwan's democracy is the most relevant and accessible example of democracy for the PRC. It is also devastating to any argument that democracy is unsuited to culturally Chinese conditions. And there can be little doubt that the Taiwanese example in fact inspires and attracts many citizens on the Mainland.

But that is a far cry from having a meaningful near-term impact on political institutions and behavior in the PRC. Even if some observers' predictions of a reinvigoration of political reform under Xi Jinping prove warranted, there still will be no significant constituency for radically democratizing change among the Chinese Communist Party leadership that still exercises so much control over China's political trajectory. Despite an exaggerated fear of a Chinese Jasmine Revolution, the prospects for a liberal-democratic revolution (or any other type of revolution) from below also remain farfetched, absent a sudden and severe deterioration in the regime's performance or capacity.

#### WASHINGTON: WALKING A DELICATE LINE

In some sense, Washington won too. In U.S. government circles, Ma's victory generally was the strongly preferred outcome. The U.S.'s official, and genuine, policy is that the U.S. does not take sides in another polity's democratic elections, would respect the choices made by Taiwan's voters and would stand ready to work cooperatively with the next president in Taiwan, whether that be Ma or Tsai. On the other hand, it was pretty much universally acknowledged that Washington wanted Ma. The U.S. was clearly content with the progress made in cross-Straits relations under Ma and the improvement in external relations achieved from the dismal baselines of the late Chen years. The U.S. wanted to minimize the risk of a return the unwanted role that had been forced upon it of reining in Chen and managing recurrent crises between Taipei and Beijing.

Much of the appeal for the United States of a second term for Ma lay in the simple and obvious fact that such an outcome promised continuity with the trend of the past four years that had furthered Washington's interests in and preference for stable, peaceful and generally improving cross-Straits relations. Tsai's September visit to the United States, and her statements about her prospective cross-Straits policy—variously characterized as ambiguous, evasive or insufficiently reassuring—sharpened Washington's tilt toward Ma and prompted a leak to the *Financial Times* by a senior administration official saying that Tsai "left us with distinct doubts about whether she is both willing and able to continue the stability in cross-Straits relations...enjoyed in recent years."

The leak was among several pre-election gestures read in Taiwan—and elsewhere—as signaling the U.S. government's support for Ma. Three others were: a formal briefing on the Obama administration's new defense strategy for Taiwan's National Security Council from the American Institute in Taiwan (the functional substitute for the embassy that the U.S. would operate in Taipei if it maintained diplomatic relations with the Republic of China); a visit by Deputy Secretary of Energy Daniel Poneman (the highest level American official to go to Taipei in more than a decade); and an announcement that Taiwan was on track for near-term final approval for the U.S. visa waiver program (a sign of international status—and a contrast with the Mainland—that the Ma administration has ardently sought from the U.S. and others). More disruptive and controversial was the election-eve visit to Taipei by the U.S.'s George W. Bush-era envoy to Taiwan, Douglas Paal, who told local media that the U.S. would be relieved if Ma were reelected, that Tsai's positions on cross-Straits policy were inadequate to make Washington comfortable, and that the 1992 Consensus—embraced by Ma and rejected by Tsai—was a necessary basis for the progress achieved in cross-Straits relations. Construed by many in Taiwan as a late and clear sign of U.S. endorsement or, at the least, improper interference, Paal's words threatened to throw the U.S.'s calibrated position out of balance and were followed by AIT's pointed restatement of American neutrality and cancellation of a scheduled meeting with Paal.

As the complexity of this set of statements and actions reflects, the U.S. was walking a delicate line. Unambiguous neutrality risked sending the wrong signal, including that the U.S. was comfortable with the prospective impact of Tsai's Mainland policies and the possible effect of a Tsai win on U.S. interests in the cross-Straits relationship. On the other hand, 2012 was a far cry from 2008, when the U.S. weighed in clearly against the referendum that outgoing President Chen had put on the ballot, asking voters whether Taiwan should enter the U.N. under the name Taiwan. The U.S. could fairly—and did—depict the 2008 referendum as a political ploy that clearly threatened U.S. interests by proposing a measure that clearly would provoke a cross-Straits crisis.

Without the relatively extreme circumstances of 2008, the U.S.'s perceived endorsement of candidate Ma was a more problematic business. The DPP helpfully—and, perhaps in terms of its own interests, prudently—largely held its fire (except toward Paal's unofficial remarks) and expressed its confidence in the U.S.'s official policy of neutrality. But there remained possibly significant costs to the U.S.'s apparent attempt to have it both ways. In addition to stirring resentment among Taiwanese possibly well beyond pro-DPP circles, a sense that the U.S. was intervening in Taiwan's elections risked feeding a potentially damaging narrative—one welcomed by opponents of more radical political reform in China: the U.S.'s ostensibly high-minded commitment to democracy included more than a hint of hypocrisy, and it seemed to crack when democratic processes elsewhere threatened U.S. foreign policy aims. Worse still, the U.S. might look as if it had caved in to a heckler's veto from China. After all, the conclusion that Tsai would be very bad for cross-strait relations and, in turn, the U.S.'s interests in regional peace and stability was partly the product of Beijing's announced position about how it would deal with a 1992 Consensus-rejecting President Tsai.

#### BEIJING: RELIEF AT THE OUTCOME AND QUESTIONS ABOUT THE ROAD AHEAD

Beijing—and, especially, the policies of soon-to-retire (formally if not fully) President and Party General Secretary Hu Jintao—also won in Taiwan's elections. If the sigh of relief was audible in Washington, it was overwhelming in Beijing. Hu and the current Chinese leadership had staked a great deal on adopting a relatively accommodating policy toward Taiwan: shifting formally from a “reunification” mission to a more long-term status quo-accommodating “anti-secession” agenda; accepting the 1992 Consensus (albeit emphasizing its “one China” element and marginalizing the “respective interpretations” corollary stressed by Ma) as a foundation for closer cross-strait ties; entering into a de facto diplomatic truce that suspended Beijing's poaching of Taiwan's dwindling stock of nations with which it maintains formal ties; tolerating modestly increased international space for Taiwan (including, most notably, participation by “Chinese Taipei” in the annual World Health Assembly); and entering into the Economic Cooperation Framework Agreement, other formal cross-strait economic accords, and more diffuse policies and practices (such as purchasing missions targeting Taiwanese producers, especially in the normally pro-DPP south) that gave—especially in the near term—economic benefits to Taiwan.

If, after all this, Taiwanese voters had shunned Ma and embraced Tsai, it would have invited PRC interpretations that the Hu policy line was an abject failure and that a relatively soft approach had only emboldened anti-reunificationists in Taiwan to think that they could get away with indefinite postponement of progress toward integration and even pursue formal independence. The stakes were all the higher for Hu and the current leadership for two additional reasons. First, cross-strait relations have emerged as a key legacy issue for Hu. The warming ties with Taiwan are among the very few unambiguous areas of success as Hu and his near-colleagues near the end of their decade in office. Relations with many of China's neighbors have soured over territorial disputes and more general fears of the implications of China's rising power. In the region and well beyond, China's soft power has waned and its image has deteriorated from the heyday of its “charm offensive” several years earlier. China's relations with the United States remain mixed and beset by significant and intractable areas of friction, reciprocal suspicions that the U.S. is trying to keep China down and that China is trying to push the U.S. out, and persisting uncertainty over whether China's rise and the U.S.'s relative decline will lead to serious and protracted great power conflict. At home, China's growth in the late Hu era has been no better than Chinese have come to expect and what many see as necessary for the regime to sustain its economic performance-based legitimacy. The Hu Jintao-Wen Jiabao leadership's turn to populism has not assuaged rising social discontent over inequality, corruption, public safety and other matters. And, despite early Hu-era hopes, political reform has made no progress, leaving its advocates to hope for a more positive climate under the coming Xi Jinping leadership. In this context, a win for Tsai would have been especially devastating to Hu's legacy and could have triggered a broader critique of his policies and leadership (including charges of a too-soft line in foreign policy generally) at the especially sensitive moment of an impending leadership transition.

Second, Beijing had cast Tsai as a profoundly radical alternative to Ma. Washington perceived her as evasive on cross-strait policy and a risk to the progress achieved under Ma, but also as someone who would be easier to deal with than the non-English-speaking, impulsive and volatile Chen Shui-bian. The portrait of Tsai from China—relentlessly provided to American interlocutors but also seemingly believed by many of its purveyors—was strikingly different. In this version, Tsai was a pro-independence fundamentalist. She was largely responsible for Lee Teng-hui's so-called “two-state thesis” (that relations between Taiwan and the Mainland had the character of “state to state” relations and that the Republic of China, its reach now limited to Taiwan, was an “independent, sovereign country” that had no need to re-declare independence). She was also the person who walked back Chen Shui-bian's initial semi-embrace of the 1992 Consensus. Her “true believer” zeal contrasted with Chen's relative merits: being corrupt and opportunistic, and using the independence issue only instrumentally to secure power for himself. If Taiwan's voters had backed the Tsai depicted in this common Mainland narrative, there would have been compelling reasons to read the result as a repudiation of Ma's approach to cross-strait relations and China's corresponding policies.

To promote the outcome it sought and got, Beijing had to walk its own delicate line. Where Washington had to balance carefully its policy commitments to neutrality in democratic elections and support for continued stability and gradual improvement in cross-strait relations, Beijing faced a narrower, more tactical challenge. Openly supporting Ma was not a

problem. The issue was how to do so in a way that would be effective and not backfire. Here, Beijing continued to move up the once-steep and now-flattening learning curve it had been climbing since Taiwan's first democratic presidential elections. In the 1996 balloting, the China-created cross-Strait missile crisis was a boon to the candidate whose chances Beijing sought to scuttle, Lee Teng-hui. In 2000, China's second "white paper" on the Taiwan issue threatened the use of force if Taiwan delayed negotiations over unification indefinitely and Premier Zhu Rongji scoldingly warned Taiwanese voters not to back Chen Shui-bian. But Chen won. In 2004, Beijing took a much more subdued approach, clearly backing the reunified KMT ticket of Lien Chan and James Soong (the second and third-place finishers in 2000). Chen won again, but with only the narrowest of margins and his cause may have been helped by what some voters saw as too-cozy engagement between Lien and Soong's KMT and the Chinese Communist Party leadership. In 2008, Beijing further dialed back its methods, openly favoring Ma but signaling openness to engaging any leader on Taiwan willing to deal with China on the more expansive terms Beijing was then offering.

In 2012, China generally reprised its 2008 tactics. Beijing unambiguously favored Ma but emphasized that the key to continued stability and progress in cross-Strait ties was not a particular candidate but acceptance of the 1992 Consensus, which Ma embraced and which Tsai was encouraged to adopt as well. Moreover, Beijing had added tangible, rather than merely prospective, economic incentives to the mix, pointing to the ECFA-related benefits (and broader cross-Strait gains too) that Taiwan had reaped since 2008 and relying upon the influence achieved through both Taiwan-wide and DPP stronghold-targeted spending. As the election drew near, Beijing appeared to lose its nerve somewhat, perhaps believing reports of a tightening race. China's Taiwan Affairs Office officials and spokesmen began to launch sharper attacks on Tsai. In the end, these did not eclipse the core message of stressing the 1992 Consensus as a precondition and the benefits for Taiwan of continuity and stability as the core reasons Taiwanese voters should choose Ma.

Although Beijing ardently supported Ma's reelection, Ma's win means difficult choices in China's cross-Strait agenda during Ma's second term. Beijing must figure out what lessons to draw from Ma's victory and, more broadly, what course to pursue in its Taiwan policies. The more moderate and likely wiser approach is one of patience, for several reasons. First, the maxim "don't mess with success" may, and should, have traction. Beijing's relative satisfaction with the fruits of a strategy of incremental, multi-step progress and not pressuring Taiwan on difficult, political issues counsels against trying to move forward much more quickly. Although the apparent Mainland view is that cross-Strait relations must progress steadily, there remains much work to be done and small advances to be achieved in the economic and relatively easy parts of the agenda, including filling in the details of ECFA, reaching investment protection and dispute resolution agreements, addressing access for firms from across the Strait to still-restricted sectors of the economy, and so on.

Second, the impending gradual leadership transition in Beijing makes the next few years an ill-advised time to take risks in cross-Strait relations. The new top elite will have plenty of other issues on its plate. Messing with Taiwan policies that have been seen as going well invites unwanted and unnecessary headaches for an already-stressed new leadership. And getting Taiwan affairs wrong through a more assertive policy that prompts anti-rapprochement pushback from the island risks making the new leadership look inept on an issue that Chinese leaders need not win (at least in the near term) but that they cannot afford to lose.

Third, Beijing's policy has been—and should remain—realistic about the limits imposed by politics in Taiwan. The 2012 vote is far from a mandate for moving rapidly forward to tighten ties and address political issues. Ma's and the KMT's margins were fairly narrow over opponents who were traditionally "pro-independence," who to varying degrees and at various times criticized Ma's past accomplishments and, more so, expected trajectory in cross-Strait relations, and whom Beijing denounced as potentially disastrous for future Taiwan-Mainland ties. To the extent that the relatively narrow win was a referendum on Ma's first-term cross-Strait policies, it said little about the desired pace or scope going forward. Wide and deep support for the progress achieved from the low baseline of 2008 does not imply a consensus about how far and how fast to go after 2012. Further advances in cross-Strait relations are likely to be more politically divisive and draw more resistance in Taiwan. It is easily imaginable—even in Beijing—that an effort to achieve a major leap forward in cross-Strait integration could bring a DPP victory.

Significantly, Ma did not campaign on a platform of rapid future deepening of cross-Strait ties and near-term moves to address political issues. Unless Beijing operates from the dubious presumption that a Ma unburdened of the need to face Taiwanese voters again will seek to move toward unification, China's approach to cross-Strait relations during Ma's second term must deal with the limits imposed by the positions Ma has staked out. He has pushed political discussions off to the relatively distant future. And, in one of the most unsuccessful moments of his reelection campaign, he took off the table a prospective "peace accord"—something long envisioned by Beijing as a relatively near-term interim step to be taken once most of the economic issues were addressed and before turning to more obviously sovereignty-implicating agreements on cross-Strait political relations. In October, Ma had suggested that signing a cross-Strait peace accord might be possible within a decade. Whether a miscalculated attempt to shift the political debate from domestic issues back to the cross-Strait issues that were seen as Ma's strength or a carelessly honest consideration of what might be possible, the idea drew a firestorm of criticism. To the preconditions that such an accord would have to serve Taiwan's interests, receive popular support and be subject to legislative supervision, Ma quickly added the requirement of a pre-signing referendum. Given Beijing's allergic

reaction to any referendum on Taiwan (in part because of its long association with Taiwan independence efforts), this move effectively scotched the possibility of a peace accord.

Informal discourse on the Mainland side in the early post-election period suggests that there is much hope for a moderate and patient course. There seems to be widespread recognition that a peace accord—or even much progress toward laying the foundations for one—is a low probability. There seems to be tolerance for the prospect that the near-term focus will be on the details of the economic relationship. There is much talk of consolidation of past gains, of moving on to cultural and educational ties (which, though less nettlesome than political issues, will not come that easily), of more deeply embedding the 1992 Consensus, and of “institutionalizing” the relationship that has been built in a relatively ad hoc way since 2008.

On the other hand, there is also more than a remote possibility that Beijing may press for relatively rapid or accelerated progress in cross-Strait relations. As is often the case, success—including the second consecutive victory by Beijing’s preferred candidate and the past four years of progress in cross-Strait rapprochement—could breed overconfidence. Some Mainland observers appear to interpret the DPP’s defeat as the death of pro-independence politics in Taiwan and the end of the possibility that the DPP can win again absent a much more accommodating cross-Strait policy. That may be true, but it is not certain. And a common concern among observers of China’s Taiwan policies is that Mainland thinking may underestimate—and, given its growing but still-thin engagement with the DPP, be ill-prepared for—the prospect of a relatively near-term (even 2016) return to power by a DPP that would likely be much more recalcitrant than the KMT on cross-Strait integration.

Moreover, past and ongoing progress in cross-Strait ties predictably increases impatience among at least some participants in the Mainland policy process to move on to more “political” and less narrowly “economic” issues. Ma’s articulating the limitations carries only so much weight on the other side of the Strait. Even in Ma’s first term, there was considerable grumbling that Ma had pressed for progress on his political issues—the “diplomatic truce,” enhanced “international space” for Taiwan, and so on—while insisting that the Mainland hold off on its political agenda. As a top Mainland official for Taiwan affairs put it in an often-invoked phrase, in “economics first, politics later; easy first, difficult later,” there has been politics in the economics and difficult in the easy. Such perceptions and the impetus they create for heightened Mainland pressure on Taiwan to engage on the more difficult political issues are only likely to increase during Ma’s second term. This is all the more probable as the Ma administration presses forward in seeking China’s acquiescence in greater international space for Taiwan, including regional trade agreements with several countries, and a more secure footing in the World Health Assembly/World Health Organization structure and similar participation in other United Nations-affiliated organs such as the International Civil Aviation Organization and the UN Framework Convention on Climate Change.

Some signs of inclination toward a tougher or less patient stance surfaced in early post-election talk on the Mainland. Chinese sources made the point that Taiwan’s access to international organizations (especially UN-linked ones) would not fall “like dominoes,” nor would post-ECFA trade accords between Taiwan and Singapore, New Zealand and others. There was also discussion of the possibility, and possible need, for a framework to support a post-Ma peace accord, or a successor to the 1992 Consensus as a foundation for eventual agreements on political relations. Long relatively dormant because they embodied the “one country, two systems” model that had become anathema in Taiwan, references began to reemerge in informal discussions in China to Hong Kong and Macao as Taiwan-relevant examples of how accommodating Beijing can be toward autonomous and diverse political orders.

The 2012 electoral victories for Ma Ying-jeou and the Kuomintang were outcomes that Washington, Beijing and the majority of voters in Taiwan welcomed and largely expected. Yet the vote for continuity and stability does not foreshadow simplicity or stasis. Although affirming a significant degree of satisfaction with developments in cross-Strait relations during the last four years and confirming a strong and consolidating democracy in Taiwan, the election otherwise did more to raise questions—some of them complex and challenging—than to provide clear answers about the future of Taiwan’s domestic politics, cross-Strait relations, and U.S. and PRC policies during Ma’s second terms.

FPRI, 1528 Walnut Street, Suite 610, Philadelphia, PA 19102-3684

For more information, contact Alan Luxenberg at 215-732-3774, ext. 105, email [fpri@fpri.org](mailto:fpri@fpri.org), or visit us at [www.fpri.org](http://www.fpri.org).