



MA YING-JEOU RE-ELECTED: THE ONLY BRIGHT FUTURE FOR CROSS-STRAIT RELATIONS?

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Incumbent President Ma Ying-jeou of the Chinese Nationalist Party (KMT) won a second term in the office after defeating Tsai Ing-wen from the opposition Democratic Progressive Party (DPP) in the January 14 presidential and legislative elections in Taiwan. The KMT also retained the majority in the Legislative Yuan despite losing seventeen seats. What are the implications of Ma's victory for cross-strait relations? Can a deepening of rapprochement between Taipei and Beijing be expected?

Taiwan's special status makes the cross-strait issues inevitably a focal point of every election in Taiwan. Ma's conciliatory approach towards Beijing was favored to Tsai's more cautious skepticism, which advocated placing relations with Beijing on equal footing with other relations. Both Beijing and Washington welcomed the election results as a sign of continuation of stability across the Taiwan Strait. Already during the election campaign, some U.S. officials did not attempt to hide their concerns over possible negative impacts on cross-strait relations in the case of Tsai's victory. Ma won with a comfortable margin, however. The anti-unification, pan-green team also gained a surprising boost when the dormant pro-independence Taiwan Solidarity Union (TSU) gained 8.96 percent of party list votes (three legislators). Can the election results, however, be interpreted as an approval of deepening ties with mainland China?

Victory of the 1992 consensus?

The KMT team asserts that the results are a growing endorsement of the 1992 consensus between the KMT and Beijing committing to the "One China Principle" (a minor caveat – Beijing and KMT have different interpretations what the agreement actually represents). The DPP supporters argue that the results do not yield such an interpretation. Aside from the substantial revival of the TSU campaigning against the Economic Cooperation Framework Agreement (ECFA) and deepening ties with the mainland, support for President Ma and the KMT actually decreased in comparison with the 2008 results (seven percent in the presidential race, fifteen percent in the legislative elections). Another

factor is that the support may merely reflect general pragmatism against a looming global recession rather than a statement about Taiwanese identity and future relations vis-à-vis the PRC. The People's Republic is by far Taiwan's main trading partner and with the current crisis in Europe and the U.S. economy not yet fully recovered, Taiwan's options to diversify its business interests remain limited.

In light of this, Taiwanese CEOs voiced support for the 1992 consensus. Some even openly for President Ma prior to the elections, asserting that Ma would be a "safer" option for Taiwanese (economic) future, while the so called-Taiwan consensus as depicted by Tsai, was a mere framework outline of future pan-national debates on how Taiwan's relations and status vis-à-vis China should be shaped – in other words, an unknown concept. The business community played an important role, from heads of corporations openly presenting their preferred elections results to their employees, linking election results with business stability to subsidizing air tickets for Taiwanese working in mainland China to fly home to cast their votes.

Chinese influence in Taiwan

The results also represent a victory of Chinese policy of exchanging economic benefits for political gains and signal growing influence of mainland China in Taiwan. As an academic ventured in discussions immediately after the elections, it is cheaper for China to buy Taiwan than to attack it. Beijing thus does not wish to win Taipei over by military strength but rather by winning the hearts and minds of Taiwanese grassroots.

Ma's government is expected to continue deepening



economic cooperation with the mainland but Beijing is also reaching out separately to different regions in Taiwan, mainly to the south, a traditional stronghold of the anti-unification, pro-Taiwanese groups. The DPP won in the south but the margin was not as big as expected. In June 2011, President Ma appealed to provincial leaders from the mainland not to come to Taiwan before the elections in order to avoid sparking any controversies and fueling speculations of a too hasty rapprochement with the PRC. Following the elections, provincial leaders from the mainland are expected to resume their business trips to southern Taiwan. The PRC officials have also maintained informal discussions with the DPP representatives and dialogue has even been extended to the institutional level through at least twenty different channels between government agencies. For instance, the Ministry of the Interior and the Ministry of Public Security of the PRC are engaged in a government-to-government dialogue. Does this also mean that Beijing and Taipei are moving closer to peace talks and discussions on political issues?

Time not ripe for peace talks yet

Despite reassurance of continuity of the current pro-PRC course, the prospects of a peace treaty remain grim at least for the next decade. President Ma stated in the immediate aftermath of the elections that peace talks are not an urgent task on the government agenda. Analysts and policy advisors are also mostly in agreement that Taipei is not prepared yet to engage in an open political dialogue with the PRC during Ma's second term. Ma cautiously stated that debate on political issues would be initiated only if a national need, popular support and legislative supervision avail such processes.

The government will thus continue with dialogue on economic issues where, despite 16 existing agreements, some topics remain unsettled. For instance, agreements on

investment protection and on dispute settlement mechanisms have not been reached yet. A newly formed Cross-Strait Economic Cooperation Committee (CSECC) and ad hoc cross-strait meetings are expected to handle business disputes until the parties find a more permanent framework. Although it is expected that Beijing will aim to move from economic issues to agreements on education, culture and social issues before opening a political dialogue, the delays in the economic negotiations signal that changes cannot be expected fast.

KMT will continue with discussions on government levels while the DPP would most likely favor the so-called "Macao Model" (which should not be confused with negotiations on the status of Macao between the PRC and Portugal) which refers to previous negotiations between Beijing and Taipei on aviation issues held in Macao when discussing the direct flights in the early 2000s. The basic idea is that negotiations are led by different civilian expert units (for instance, agreements on the textile industry would be negotiated by representatives from the textile sector rather than government officials) instead of one government coordinating agency. This method could depoliticize some of the sensitive issues, but it seems unlikely at the moment that Ma's government would opt for this setting. President Ma has another difficult term ahead of him in which he has to find effective means of continuing cooperation on economic and other soft issues while reducing the appearance that he is "selling" Taiwan to China for economic benefits.

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