

JUSTYNA SZCZUDLIK-TATAR*

Taiwan's Internal Debate about ROC-PRC Relations

The 2008 presidential election in Taiwan was a turning point in Cross-Strait relations. The landslide victory by Ma Ying-jeou from Kuomintang (KMT) after eight years (2000-2008) under Democratic Progressive Party (DPP) President Chen Shui-bian was a clear sign of a new chapter in bilateral relations. Chen was a supporter of the independence referendum, which not only seriously undermined Taiwan's relationship with the mainland but also provoked Beijing to adopt the so-called Anti-Secession Law in 2005 in which the PRC warned of using non-peaceful means to safeguard national sovereignty and territorial integrity. The KMT, however, has signalled its readiness to improve relations with the PRC since 2005 when KMT leader Lien Chan visited China to open contact between KMT and the Communist Party of China.

A New Opening in the Cross-Strait Relations

The first clear sign of better prospects for island-mainland relations was the announcement by Ma Ying-jeou during and after the presidential campaign of the so-called "3 Nos" policy towards China. They are: "no" to unification; "no" to Taiwan's independence (this approach is strictly opposed by Chen Shui-bian's policy); and "no" to the use of force by either side. In response, in December 2008, Hu Jintao presented his six-point proposal for Sino-Taiwanese relations: the One-China principle; economic cooperation; strengthening cultural contacts; developing people-to-people contacts; protection of sovereignty and dialogue on international matters; termination of hostile relations and the signing of a peace agreement. Both sides returned to the so-called 1992-consensus as a principle of bilateral relations as well. This consensus about the "One China principle, but with different interpretations" means that there is only one China and the PRC and Taiwan each perceive themselves to be its sole representative.¹

Despite the fact that Sino-Taiwanese relations have been improving since 2008, there are still only economic, cultural and people-to-people cooperation without eagerness and readiness to go a step further. Leaders from China and Taiwan argue that they should focus

* Analyst at the Polish Institute of International Affairs.

¹ See. J. Szczudlik-Tatar, "Prospects for normalization of China-Taiwan Relations," *Bulletin*, No. 64 (596), 26 November 2009, Polish Institute of International Affairs.

on issues relatively easy to resolve, while difficult matters (e.g., political talks) must be left for an unspecified time in the future.

Ma Ying-jeou's Foreign Policy Record

The first spectacular success of Ma's China policy was the resumption of talks that were suspended in 1999 between the Chinese Association for Relations across the Taiwan Straits (ARATS) and the Taiwanese Straits Exchange Foundation (SEF). These foundations are semi-official institutions established as a platform of cooperation between China and Taiwan. Since 2008, the six rounds of talks have been held on average every six months and alternate between China and Taiwan.

The first important and significant improvement was the opening in July 2008 of direct regularly scheduled flights (not only charters) and sea transport between China and Taiwan. The second profound impact on bilateral relations has been from the Economic Cooperation Framework Agreement (ECFA), which is perceived in Taiwan not only as the next step in creating more sanguine relations with mainland China but also as a way to enhance and expand Taiwan's global relevance. The ECFA was signed on 29 June 2010.²

There is some evidence that Taiwan's "international space" is wider. In 2009, China agreed to Taiwan's attendance as an observer, under the name of Chinese Taipei, at the 62nd session of the World Health Assembly; in November 2010, Canada gave Taiwan visa-free privileges, and in January 2011, European Schengen visa-waiver liberalizations for Taiwan passport holders were implemented. There also was the possibility that negotiations between Taiwan and the U.S. on a document similar to a free-trade agreement known as the Trade and Investment Framework Agreement (TIFA) would be resumed. Signing this document would be a tremendous success for Ma Ying-jeou. This particular agreement also is supported by the opposition. It should be highlighted that the talks between the ROC and the U.S. have been at a stalemate for three years. The resumption of talks was scheduled for January 2011. However, because Taiwan removed from its market American beef containing some drugs that were prohibited on the island, the U.S. postponed the last round of talks. This event not only could delay the resumption of talks but also could delay the next visible success anxiously needed by Ma Ying-jeou before the 2012 elections. In April, Taiwan's Ministry of Foreign Affairs urged the U.S. to resume TIFA talks. MOFA disclosed that "everything is negotiable" and revealed that American beef imported by Taiwan is only a small part of the total trade between the U.S. and the island.³ But, it will be difficult for Taiwan to regain support from the U.S. Congress for TIFA. Additionally, it should be highlighted that Taiwan's statement was announced after remarks by the U.S. and South Korea, which had negotiated since 2006 a U.S.-South Korea Free Trade Agreement (KORUS FTA), that stated the measure could be ratified by both sides this year. KORUS could seriously undermine Taiwan's exports to the U.S. as Korea sells products such as electronics that are similar to those made by Taiwan. Furthermore, KORUS easily could attract U.S. companies to invest in South Korea, which could have a negative impact on American investments in Taiwan.⁴

² "Cross-Strait Economic Cooperation Framework Agreement" (Haixia liangan jingji hezuo jigou xieyi), www.ecfa.org.tw; See also: J. Szczudlik-Tatar, "Economic Cooperation Framework Agreement between China and Taiwan," *Bulletin*, No. 101 (177), 8 July, 2010, Polish Institute of International Affairs.

³ "MOFA urges resumption of trade talks," *Taipei Times*, 18 April 2011, www.taipetimes.com.

⁴ J. Kastner, "Taipei flops in trade-pact race," *Asia Times*, 16 December, 2010; www.atimes.com.

Internal Debate over Relations with Mainland China—from Early Scepticism...

The internal debate about the island's China policy is a hot issue. Developments of the Ma policy toward China are not entirely accepted by the opposition parties, mainly the DPP. The DPP provides a long list of allegations of the rising dependence of Taiwan on China through miscellaneous, but chiefly economic, mechanisms.

In April 2009, the DPP and the Taiwan Solidarity Union (a party in the so-called pan-green coalition, a supporter of the DPP) submitted a claim for a referendum on the ECFA, but the Executive Yuan's Referendum Review Committee refused to accept the bid, ruling it baseless. The reason for that was because the content of the ECFA still is unclear, and asking whether one party or another accepts the document would be improper. In July 2010, the Committee refused the next proposal for a referendum prepared by the DPP. The DPP announced that if it regains power in the presidential election in 2012, it will prepare a referendum bid to abrogate the ECFA.

The first test of public support for the Ma administration was the municipal and mayoral elections held 5 December 2009, nearly two years after his victory in the presidential election. The so-called growing economic dependence of Taiwan on China was the main point of dispute over Taiwan foreign policy between the DPP and the KMT during the election campaign in 2009. The elections were held in seventeen counties and cities. The KMT won in twelve counties, the DPP in four and an independent candidate won in one county.⁵ The election results were perceived as the first setback for the KMT and a sign that the current Taiwan China policy is not entirely seen in society as beneficial for the island, and further that the re-election of Ma Ying-jeou is not certain. The elections confirmed well-known divisions in Taiwanese society: The South supports the DPP, while the North supports the KMT. The main allegations made by the people from the South about Ma's China policy concerned the potential influx of cheap Chinese agricultural products to the island, which could seriously jeopardize Southern Taiwan's agriculture-centred economy.

... to Spectacular Political Showdowns

The most significant stage of internal debate about Taiwan's current China policy was a television debate on 24 April 2010 between Ma Ying-jeou and Tsai Ing-wen (the chairperson of the DPP) devoted to ECFA negotiations. Ma's approach was based on comparing his policies to those of his predecessors. The main message was that the DPP closed and isolated Taiwan by its gradualist approach, which really meant it was passive. He underlined that Taiwan could not wait any longer with reforms and needed a policy aimed at creating the ROC as one of the Asian tigers. He accused the DPP of threatening society and a lack of courage in making difficult decisions during the 2000-2008 term of Chen Shui-bian's presidency. He also underlined that China's conciliatory attitude toward Taiwan is based on mutually favourable interests but not, as the DPP suspected, obscure interests that were to hurt the island. Ma repeatedly stressed that the signing of the agreement would increase Taiwanese exports and provide it with greater room for manoeuvre in the international stage. He argued that other countries would be more likely to cooperate with Taiwan without fearing a reaction from China. He also assured viewers that the ECFA does not hit Taiwanese agriculture—the main argument raised by the opposition. He said that ECFA

⁵ "Central Elections Commission's report no 0983100369" (Zhongyang Xuanju Weiyuanhui baogao, zhongxuan yizi di 0983100369 hao), 11 December 2009, www.cec.gov.tw.

contains provisions to protect investments and does not open the Taiwanese market to Chinese agricultural products. Furthermore, he accused the DPP of boycotting the parliamentary debates about ECFA.

Tsai Ing-wen, however, disclosed her perceptions of differences between the KMT and the DPP. She said that the DPP is a “global-wide party” but KMT is a “through China, globe-wide party.” She argued that the ECFA is an example of Ma Ying-jeou’s submissive approach toward China. She repeatedly asked Ma to provide society with reliable information that industries would not be severely affected by the ECFA and about how many people could be expected to lose jobs. She accused Ma of announcing unreliable data, taken only from newspapers and populist rhetoric, which could be summarized as oral assurance that the ECFA has no negative impact on Taiwan. She argued that the implicit conduct of the negotiations was a mistake because the society had the right to know not only the result but also the process of negotiations. She also said that this secret approach had been KMT’s main reason not to disclose at what stage the talks were and what ECFA really is. She assessed as irrelevant the argument that signing ECFA helps Taiwan reach similar agreements with other countries, claiming that it only demonstrates Taiwan’s dependence on China. In her speech, she devoted much time to the economy and threats to state stability, arguing that ECFA could bring higher unemployment and, in the longer term, allow a free flow of Chinese products to Taiwan. Tsai said that Taiwan would be obliged to liberalize its market, which could seriously influence the Taiwanese agricultural industry, and she appealed for slowing the process of negotiations.⁶

The next example of internal discussion about Sino-Taiwanese relations was an acute debate in the Legislative Yuan (the Taiwanese parliament) about ECFA ratification. The opposition demanded a debate and vote on each and every provision of the agreement. However, after 12 hours of debate, the motions to vote on each provision were rejected by the KMT majority (of the 112 seats in parliament, KMT possesses 74). Eventually, on 18 August 2010, the Legislative Yuan ratified ECFA, but the DPP did not participate in the voting process.

Another serious test for the Ma administration was the municipal mayoral elections for the five counties in Taiwan that were held 27 November 2010. Although the KMT won three counties (including Taipei) and the DPP two, the overall amount of votes showed the KMT received 44.5% of votes while the DPP gained 49.8%. It worth mentioning that the five counties where the elections were held comprise 60% of Taiwan’s population.⁷

The Way Ahead—Issues to Follow

Legal tug of war and foreign policy manoeuvring

The sixth round of talks between the ARATS and the SEF that took place in Taipei on 21 December 2010 signalled a slowdown in the Sino-Taiwanese dialogue, and can be compared to previous negotiations that concluded with measurable output. After the spectacular signing of ECFA during the fifth round, the sixth round should be the start to

⁶ “ECFA debate – television broadcast” (dianshi bianlun xianchang shikuang yingyi), www.pts.org.tw.

⁷ “Central Elections Commission’s report no 0993100297” (Zhongyang Xuanju Weiyuanhui baogao, zhongxuan wuzi di 0993100297 hao), 3 December 2010, www.cec.gov.tw; So-Heng Chang, “The Political Implications of Taiwan’s Big Mayoral Elections.” Foreign Policy Research Institute, December 2010, www.fpri.org.

implementing provisions of the agreement. According to the ECFA, the China-Taiwan Committee for Economic Cooperation (CEC) should be established and an investment protection agreement should be reached. None of these goals was achieved during the sixth round of negotiations (both sides signed only medical and healthcare agreements, but an investment protection document is still under negotiation). The key obstacle was the composition and the rules of conduct of the Committee. China was likely demanding that the Committee operate under the auspices of the ARATS and the SEF, not ministries, because of China's unwillingness to recognize Taiwan's statehood. The reason for a failure to sign an investment protection agreement is seen as a dispute about the institution that will be in charge of resolving investment disagreements between the sides. China hesitates to approve international arbitrary institutions because of the issue of Taiwan sovereignty.⁸ Eventually, the first meeting of the CEC was held in Taiwan on 22 February under ARATS and SEF auspices, which could be seen as a Chinese success. The committee announced the beginning of negotiations concerning trade and services as well as dispute settlements, but no agreement was reached.⁹

It cannot be excluded that the recent slowdown in Sino-Taiwanese relations is a thoughtful strategy launched by the KMT and Ma Ying-jeou. Ma is aware that before the presidential poll, China will be reluctant towards deepening the negotiations because of uncertainty about the election's outcome. The KMT seems keen on taking advantage of this approach. Slowing the negotiations could be portrayed as the KMT taking a harder stance towards the PRC, addressing the concerns raised by the opposition and some parts of the society.

Fractious domestic politics

Still, Ma hopes that under his watch Taiwan will eventually improve relations with China and will thus enhance its international standing. But on internal matters, a gap between the ruling party and the coalition is widening. Divisions between parties, some economic problems like unemployment and the popularity of populist slogans by the opposition about the growth in Taiwan's dependence on China could tilt the 2012 presidential election in favour of DPP.

Therefore the KMT has good reasons to fear the prospect of Ma Ying-jeou's defeat at the hands of Tsai Ing-wen. Additionally, there are concerns that the poor local election results may undermine the credibility of Ma and the KMT in talks with China. The last decision by the Central Election Commission, which decided to merge the legislative and presidential elections in 2012 (likely for 14 January), could be perceived as a vindication of this assumption. The Legislative Yuan term lasts to 31 January, and Ma Ying-jeou's term lasts until 19 May. Previously, the Commission had decided the legislative and presidential elections would be scheduled, respectively, for December/January and March. If both elections are held simultaneously, the president would be elected three months earlier than usual. It could create a so-called four-month constitutional window, a longer period between

⁸ D. G. Brown, "China-Taiwan Relations: Looking ahead to 2012", *Comparative Connections*, January 2011, Center for Strategic and International Studies, www.csis.org.

⁹ "ECFA's Cross-Strait Committee for Economic Cooperation met for the first time gaining consensus" (ECFA liangan jingji hezuo weiyuanhui diyici lihui dacheng duoxiang gongshi), 23 February 2011, www.ecfa.org.tw; "First Cross-Strait co-op Committee meets in Taiwan", *Xinhua*, 22 February 2011, www.xinhuanet.com.

the presidential election and inauguration. Parliament's term is inaugurated on 1 February, but the president-elect will be forced to wait until 20 May for inauguration. The DPP accuses the KMT of manipulation and political motives in merging the elections. It claims the aim of this merger is to secure power. The opposition also says that if the DPP's candidate wins the presidential election, Ma Ying-jeou could use the four-month period before leaving office to make decisions that would not be consistent with the DPP's agenda. The DPP demands an amendment to the Constitution in order to resolve the lame-duck issue. The KMT argues that the only reason for merging the elections is to save public costs and that there is no "constitutional vacuum."¹⁰ But it seems to be apparent that changing the rules several months before elections will spark discussion about the legal and constitutional aspects of the decision. Eventually, it could weaken the position of the KMT and favour the DPP as a defender of democratic mechanisms.

In the end, the factor that could deal the KMT a serious blow is the uncertainty about the next step to be taken by Ma in Taiwan's relationship with the PRC. It is still unclear whether the option of political negotiations is on the table. It is widely acknowledged that the current negotiations between mainland China and Taiwan are based on the principle that both sides discuss questions that are quite easy to resolve (e.g., economic, cultural and people-to-people issues) while the difficult ones are postponed. However, the crucial unknown is exactly when these issues will be tackled. It is highly probable that the DPP will deviate from its past independence rhetoric. At the same time, voicing concerns about excessive economic rapprochement with China validates the position to at least maintain the status quo. A growing Taiwanese sense of identity favours the DPP.

Watchful China

Meanwhile, the PRC is paying close attention to the developments on the Taiwanese political scene and must have noted the growing position of the DPP and Tsai Ing-wen in particular. The KMT, however, is aware that China may begin to perceive the DPP, under the leadership of Tsai, as a potential interlocutor. It is widely assumed that Tsai Ing-wen gives the DPP a new face that is more predictable and not as radical as it was during the period of the presidency of Chen Shui-bian. It is unlikely that under the leadership of Tsai Ing-wen DPP would return to the independence approach. However, it will be very difficult for China to launch talks with the DPP since the Taiwanese party has not recognized the 1992-consensus and stands behind the notion of Taiwanese identity.

¹⁰"Central Election Commission press release" (Zhongyang Xuanju Weiyuanhui xinwengao), 21 April 2011, www.cec.gov.tw; "CEC approves simultaneous elections," *Taipei Times*, 20 April 2011; "No 'constitutional vacuum' from merger," *Taipei Times*, 21 April 2011, www.taipetimes.com.