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Taiwan Brain Trust

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Editor's Note

The Taiwan Brain Trust (TBT) Newsletter No. 22 contains the analysis on the cross-strait factor in the 2012 presidential election and the review of the performance of all presidential candidates with regard to the response to cross-strait issues and the challenge they face. In addition, economic issues in the presidential campaign and their influence toward each candidate are also included. Besides, according to the polls conducted by the TBT Public Poll Center, this month's newsletter analyzes current poll trends in the coming presidential election. Further, an overall assessment of the performance of the 7th Congress of the Legislative Yuan is provided in this month. Finally, five volumes of TBT's visions for Taiwan including "Local Self-Governance," "Electoral System Reform," "Innovative Policy," "Small & Medium Enterprise Policy," and "Educational Policy" is excerpted in this month.

The article entitled The Cross-strait Factor in the 2012 Presidential Election written by TBT Researcher Fellow, Liu Shih-chung indicates that despite in presidential elections the major campaign issues usually revolve around domestic issues such as livelihood, the economy, and social welfare, the cross-strait policy issues constantly played a key role in the past four presidential elections. On top of that, the People's Republic of China keeps insisting on the "one-China principle" as its bottom line; hence, Beijing definitely hopes that Ma wins reelection. Faced with concerted pressure from the Chinese Nationalists Party (KMT) and the Chinese Communist Party (CCP) jointly, Democratic Progressive Party (DPP)'s candidate, Tsai Ing-wen must adopt rather "stable" strategy on the cross-strait relation. Not to forget that in recent months Chinese scholars, with the tacit approval of the Taiwan Affairs Office, have proactively sought dialogue with important figures of Taiwan's green camp, hoping to find a "new alternative political basis" for dialogue between the CCP and the DPP, should the latter win the elections.

In his article entitled Economic Issues in the Presidential Campaign, Chief Director of the TBT Public Poll Center and Research Fellow of the TBT, Chen Jin-ji provides that due to the economic outlook for 2012 remains uncertain, market confidence hinges on whether Taiwan will be able to maintain an annual economic growth rate of 4 percent. Besides, no matter how the debt crisis in Europe will affect on Taiwan's economy, given that our fiscal problems get worse year by year the European experience of unsound finances triggering crisis could serve as a valuable lesson for us. The future president-elect must forsake the routine and continuous tasks in the counter measure against recession in order to have a better strategy that responds toward the recession.

The other article written by Chen entitled Poll Trends in the Presidential Election analyzed on a series of polls made by the TBT Public Poll Center and provides that the margin in support ratings between the two major presidential candidates still has not widened. The latest poll showed that, although the Tsai-Su (Tsai Ing-wen and Su Jia-chyuan) ticket led the Ma-Wu (Ma Ying-jeou and Wu Den-yih) ticket by 2.1%, yet Tsai's lead was within the poll's margin of error. However, on the possibility of winning the election, the poll gave 43.1% to the Ma-Wu ticket and 30.4% to the Tsai-Su ticket; the Ma-Wu ticket held a significant 12.7% lead over the Tsai-Su ticket in terms of the possibility of getting elected. The gap between support for the Tsai-Su ticket and the team's perceived chances of getting elected revealed that supporters of the Tsai-Su ticket still lacked confidence in the pair. Notably, in the end of the article, the author calls on improving the unfairness of Taiwan's election.

The article entitled An Overall Assessment of the Performance of the 7th Congress of the Legislative Yuan written by the permanent director of board of the Citizen Congress Watch, Ku, Chung-hwa articulates that the "single-member constituency, two vote" design applied to the election of legislators in the 7th Congress extends the term to four years. Therefore, they are supposed to perform better than the previous congresses of the Legislative Yuan in lawmaking and providing congressional oversight. Regrettably, the last session was marked by chaotic overwork and ended with rashly passing a number of highly controversial bills. The author suggests that in order to consolidate the constitutional democracy, the parliament should have more decision-making power to review budgets and bills and establish supportive measures of a "committee-centered" system. On the other hand, private organizations should also be given more avenues to monitor the legislature. Several objectives should be actively pursued: the opening of the "Parliament Channel," the advancement of sunshine bills, the speed-up in providing transparent parliamentary information.

In the end, the TBT Newsletter this month introduces five volumes of the Vision for Taiwan: Our Propositions published by the TBT including visions of "Local Self-Governance," "Electoral System Reform," "Innovative Policy," "Small & Medium Enterprise Policy," and "Educational Policy." For more detailed information, please check the book series: Vision for Taiwan: Our Propositions.

The Cross-Strait Factor in the 2012 Presidential Election

| Liu Shih-chung

In democratic countries televised presidential debates serve to scrutinize the candidates' image, policies, and ability to get their message across to voters. The televised debates between young, energetic John F. Kennedy and middle-aged, stern-looking Richard Nixon during the U.S. presidential campaign in 1960 have become classics in political history. In the run-up to the 2012 presidential election, Taiwan has so far held two presidential debates with the three major candidates taking the stage: incumbent President Ma Ying-jeou, who doubles as chairman of the ruling Kuomintang (KMT), and his opposition challengers Tsai Ing-wen of the Democratic Progressive Party (DPP) and James Soong of the People First Party (PFP). Besides cross-questioning each other, the candidates also took questions from the media and civic organizations.

Generally speaking, in presidential elections the major campaign issues usually revolve around domestic issues such as livelihood, the economy, and social welfare. But due to Taiwan's special national status and its politico-economic relations with the People's Republic of China, cross-strait relations always played a crucial role in the past four presidential elections. Furthermore, Chinese ploys to influence Taiwan's presidential elections to ensure that Beijing's preferred candidate wins have changed over time, from verbal attacks and military intimidation in the beginning, to teaming up with some political parties in Taiwan to cause domestic rifts, or even putting pressure on the DPP via Washington. On top of that, the Ma government has negotiated 16 agreements with China, including the Economic Cooperation Framework Agreement (ECFA), since taking power three and a half years ago, based on tacit

understanding between the KMT and the Chinese Communist Party (CCP) that a consensus over the so-called 1992 Consensus and "one China, different interpretations" was reached in 1992.

Notwithstanding, Beijing defines the "one China" in the 1992 Consensus and "one China, different interpretations" as the People's Republic of China, and has never compromised on its stance in its propaganda toward the international community. As a result, the Ma government's own understanding of "one China" as the Republic of China turns out to be a wishful slogan. However, in comparison to the DPP's Tsai, who does not accept and recognize the 1992 Consensus, Beijing rather hopes that Ma wins reelection.

In the first debate Ma, whose governing capacity has been thrown into doubt for quite some time by the majority of the Taiwanese public due to a lackluster performance in domestic politics, forcefully attacked two points that count among Tsai's weaknesses: First, Tsai's connection to corruption under the DPP government of former President Chen Shui-bian. Second, the prospect of a downturn in cross-strait ties due to Tsai's rejection of the 1992 Consensus. The leaders in Beijing and the Ma government are singing the same tune. First, Wang Yi, the director of the Chinese cabinet's Taiwan Affairs Office, came up with the "Four intolerable" scenarios, namely denial of the 1992 Consensus, deterioration of cross-strait ties, loss of cross-strait peace, and destruction of the wellbeing of the people on both sides of the Taiwan Strait. Subsequently, Chinese President Hu Jintao reiterated in face-to-face talks with Ma's envoy Lien Chan on the sidelines of the Asia-Pacific Economic Forum leaders' summit in Hawaii that Taiwan must recognize the 1992

Consensus. Most recently, Jia Qinglin, chairman of the Chinese People's Political Consultative Conference, reiterated the consensus, reached by the two sides of the Taiwan Strait (Taiwan's Straits Exchange Foundation, SEF, and China's Association for Relations Across the Taiwan Straits, ARATS) in 1992 and stated verbally, to insist on the "one China principle." That's Beijing's bottom line.

Faced with concerted pressure from the KMT and the CCP, Tsai is well aware that cross-strait ties are her Achilles' heel. Therefore she previously proposed to forge a new Taiwan Consensus should she win election. Since the 1992 Consensus is a KMT-CCP party-to-party consensus, and given that the term 1992 Consensus itself was created by then Mainland Affairs Council Chairman Su Chi, a KMT member, and did not exist in the past, Tsai's Taiwan Consensus emphasizes that any new consensus must be built through democratic procedures and public debate.

Compared to Ma's 1992 Consensus, Tsai's Taiwan Consensus focuses on democratic procedures and transparency. In its Ten Year Policy Platform released in late August this year, the DPP also emphasizes that Taiwan should "venture forth into the world, before venturing forth into China," underscoring how imperative international and regional strategic cooperation is, and that, unlike the Ma government, it won't adopt an overly China-centered national policy. But since Tsai wants to start forging a Taiwan Consensus only after winning the presidency, the KMT has criticized her proposal as lacking substance. Officials in Beijing have also expressed that they won't accept such a consensus. Tsai knew clearly that Ma was set to attack her cross-strait policy in the televised debate. Therefore she held a news conference on the eve of the debate, putting forth a few new cross-strait policy statements.

Tsai noted, that if elected, she would form a "workgroup on cross-strait dialogue" before her inauguration as president to seek instant dialogue with Beijing. Upon the presidential inauguration on May 20, she would invite the new Legislative Yuan president and leaders of all political parties to jointly form a nonpartisan cross-strait committee to discuss how a Taiwan Consensus could be promoted. Tsai's newest statements on cross-strait policy, which come on top of her previous assurances that the DPP, if back in power, will not undo the agreements signed between the Ma government and Beijing, show that her cross-strait campaign strategy clearly plays the safety card of "maintaining stability" to persuade the outside world, and dispel doubts and confusion regarding her cross-strait policy. At the same time she hopes to shift the focus of the election campaign to attacking Ma over the dismal performance of his government.

The political cross-strait climate ahead of the elections seems to suggest that Beijing on the surface still insists that Tsai, even if elected, must accept the 1992 Consensus, or else the following counter measures could be taken: Current negotiations between the SEF and ARATS could be broken off to scrutinize Tsai's words and deeds for some time and pressure her into making major compromises in her inauguration speech or after taking power. Yet the general assessment is that cross-strait ties might be stalled for half a year after a Tsai election victory, but that we won't see a major crisis, given that China will also face an internal power transition and Washington will show its concern over any unfriendly response from Beijing to her victory. Not to forget that in recent months Chinese scholars, with the tacit approval of the Taiwan Affairs Office, have proactively sought dialogue with important figures of Taiwan's green camp, hoping to find a "new

alternative political basis” for dialogue between the CCP and the DPP, should the latter win the elections. Whether these attempts prove successful will hinge on various unknowns such as interaction between Tsai and Beijing, U.S. pressure, changes in Taiwan’s political situation in the wake of the elections, and the political composition of the new legislature.

As far as Tsai is concerned, even if she successfully exploits voter discontent over four years of incompetent rule by the Ma government and wins election so that the DPP returns to power, the DPP is still not very likely to gain a single-party majority in the legislature. As a result a Tsai government would have to forge an alliance with other political parties to be able to effectively promote its cross-strait policy. Once Tsai is elected, a new DPP government would at the same time have to effectively work on its international image with regard to cross-strait and foreign policy, given that the international community generally harbors misgivings and misunderstandings, because cross-strait relations were frequently tense during the past DPP era. **BT**