



## Sigur Center for Asian Studies

THE GEORGE WASHINGTON UNIVERSITY

### **Taiwan Goes to the Polls: Ramifications of Change at Home and Abroad**

As Taiwan casts votes for a new government in January 2016, the world is watching closely to see how the election might shake up Taipei's domestic policies and its relationships with neighbors. Polls indicate the Democratic Progressive Party (DPP) candidate, Tsai Ing-wen, has a 2-to-1 lead over the ruling Kuomintang (KMT) and its candidate, Eric Chu, as well as the DPP likely securing a majority in the Legislative Yuan. The KMT is perceived by voters as being pro-China, so the shift in domestic politics driving the probable DPP victory may have profound implications for regional security and economic dynamics, not to mention U.S. foreign policy in East Asia.

In this Asia Report, we present the analysis offered at a recent conference – *Voting for Change: The Impact of Taiwan's Upcoming Elections*, sponsored by the Sigur Center for Asian Studies. You can also listen to the event's audio on the Sigur Center's website.

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#### **Making Sense of Taiwan's Domestic Politics**

When Ma Ying-jeou was elected in 2008 and again in 2012, the KMT nominally controlled both the presidency and the legislature. The party's pro-China agenda vastly increased economic interdependence and trade between China and

Taiwan. When the term limited President Ma and Chinese President Xi Jinping met last November in Singapore, it was the first summit between the two countries since they separated in 1949. The two leaders reconfirmed the “1992 Consensus” based on the principle of “One China” and agreed on further improvement of cross-strait relations.

Since performing poorly during local elections in 2014, the KMT has been in what **Tun-jen Cheng**, class of 1935 professor at William and Mary, called a “downward spiral.” The decline has been so extreme, he argued the January 2016 elections might signal a “coup de grâce” for the party as a political force on the island. He saw five major reasons to be pessimistic about the KMT’s future: (1) the KMT “bungled” its most recent nomination process and failed to recruit a strong candidate; (2) the KMT missed key opportunities to catch up with the DPP such as including Eric Chu in the historic Singapore summit; (3) shifts in the increasingly young electorate were captured by the DPP; (4) any improvement in Cross-Strait relations were not translated into political benefits for KMT; and (5) economic issues are center stage for the first time with the public seeing what economic growth does exist as benefiting only a select few. The DPP campaign targeted the younger generation of new voters who tend to be anti-China, distrust further economic integration with the mainland, and favor democracy and independence platforms. Though the KMT will likely lose big in 2016, Tun-jen Chen cautioned it would be foolhardy to expect the KMT to disappear from the political scene entirely, especially if it can field stronger candidates and harness the party’s base in women and business groups.

Furthermore, China remains an influential actor in Taiwanese politics. Would China ramp up economic and military pressure against Taiwan to disrupt a DPP government and return the KMT to power? The trade volume between China and Taiwan has ballooned in recent history to rival that of the Japan and the United States. **Emerson Niou**, professor of Political Science at Duke University, contended the public is conflicted: Taiwanese voters may express concern Beijing has too much leverage on Taipei, but they are not willing to risk permanently damaging the Taiwan-China relationship. China’s military has also left a mark on the island’s domestic politics. Based on public surveys conducted by Niou, two-thirds of the public would not support independence from China if war was necessary to achieve that end. If you take armed conflict off the table, however, 77 percent would favor independence. The younger generation is the most important swing vote in Taiwan, but Niou held they are unlikely to support independence at any cost. Despite identifying

themselves for the first time as “Taiwanese alone” rather than “Taiwanese-Chinese,” a majority of his respondents still expect reunification with China to be more likely in the future than independence.

Beyond Cross-Strait relations, **Kharis Templeman**, program manager of the Taiwan Democracy Program at Stanford University, noted five domestic challenges facing the next Taiwanese government: (1) reforming the Legislative Yuan to allow the president to advance an agenda without literal physical brawls or unmanageable procedural obstacles; (2) expanding the tax base to increase domestic spending; (3) whether to shift the country’s trade priorities and promote broader economic growth throughout the country; (4) debating further defense expenditures to counter a perceived threat from China; and (5) finding solutions to severe environmental and energy challenges. For example, the next government will likely have to take the unpopular step of raising electricity costs as Taiwan begins to retire its nuclear power reactors. If the DPP (or KMT) is to succeed on this agenda, Templeman said, the party must win a majority in the legislature, overcome procedural hurdles, and inspire the younger generation to remain engaged in politics.

### **What This Means for Cross-Strait Relations and U.S. Foreign Policy**

Should the KMT lose its hold on government, the incoming DPP leadership will need to decide whether to continue the current pro-China stance, adopt a strategy to promote more independence from Beijing, or something in between. According to **Chen-yuan Tung**, distinguished professor at the Graduate Institute of Development Studies housed at National Chengchi University, the Taiwanese public today has soured on President Ma’s legacy of closer diplomatic and economic integration with China and instead champions some degree of independence. The public’s distrust of the KMT to promote Taiwan’s interests with China leads him to predict a DPP victory next year. However, Chen-yuan Tung also did not expect a President Tsai to radically alter Taiwan’s position vis-à-vis China in the immediate future for several reasons: (1) polls indicate much of the public prefers the status quo over Taipei declaring independence; (2) Taiwan remains interested in peaceful economic development and that means getting along with China; (3) the United States will act as a moderating third-party and tamper drastic pro-independence moves; and (4) President Xi will likely focus on ways to realistically limit de jure independence but not by using significant military or economic threats. China may try

to restore the public's faith in the KMT and/or apply economic sanctions if Tsai abandons the 1992 Consensus, but Chen-yuan Tung expected Beijing to sustain trade, improve diplomatic ties, and ultimately negotiate with a DPP government as long as independence talk stays dormant.

Beijing's apparent frustration with the KMT's governing and electoral performance has convinced **Yun Sun**, senior associate in the East Asia Program at the Stimson Center, that China will rely heavily on its economic ties with Taiwan to mitigate a DPP victory. If the DPP jettisons the 1992 Consensus, Yun Sun warned China has both carrots (e.g. trade deals, integration of Taiwan with the emerging Silk Road initiative, lessening restrictions on Taiwan's participation in international fora) and sticks (e.g. economic sanctions, more aggressive Chinese military posture, more pressure on the United States to "reign in" Taiwan, further limits on Taiwan's participation in international fora). Chinese President Xi's constituencies at home will likely not hold the KMT's loss against him, but Yun Sun anticipates Xi will need to effectively manage President Tsai's impulses toward independence or else risk damaging his own foreign policy legacy.

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Given the election's conceivable effects on Cross-Strait relations and Taiwan's domestic legislative agendas, who Taiwanese voters decide to lead their country will impact policymakers in Washington as well. **Robert Sutter**, professor of practice of International Affairs at George Washington University, traced U.S. foreign policy toward China: confrontation in the 1990s; cordial ties and economic interdependence under President George W. Bush; and the pragmatic Obama Administration working with Beijing on major international crises. Sutter also argued, however, that President Xi's China became more willing to follow an activist and aggressive foreign policy in its backyard, undercutting Obama's outreach to Beijing.

In this context, Sutter expects Obama's last year in office to feature "more action on China" while at the same time trying

to avoid encouraging an independence movement in Taiwan. The United States welcomed the election of President Ma and the KMT in 2008 after years of President Chen Shui-bian's DPP flirting with declaring independence. The KMT's accommodation with China allowed Washington to focus on trade with China and pressing foreign policy challenges in the Middle East and elsewhere. Sutter sensed President Obama would prefer to maintain the Cross-Strait status quo: rejecting calls for the United States to divest itself from Taiwan and also pushing back on proposals to pursue coercive diplomacy and a confrontational military posture against China. From this perspective, issues such as climate change, cyber security, anti-terrorism, Russia, and energy security outweigh U.S. support for Taiwan to declare independence. However, Sutter acknowledged further aggression from China against Taiwan or other nations in the region could change Obama's mind so President Xi should be mindful of how his country's actions are perceived.

### Conclusion

While the polls indicate a sweeping DPP victory, a lot can change between now and the election. There has yet to be a presidential candidate debate and world events are nothing if not unpredictable, shifting the electorate in new directions. Scholars at the *Voting for Change* conference expected the new government in Taiwan to largely maintain the Cross-Strait status quo. Nevertheless, the Taiwanese public's anxiety about its dependence on China will force the new government to establish creative approaches to grow the economy, protect the environment, and assure the country's security while balancing ties with the United States and Taiwan's large neighbor and major trading partner. The United States will hold its own elections in 2016 that might usher in a new government wanting to revise President Obama's rebalance to Asia strategy. Domestic issues will have the biggest influence on Taiwanese voters in the voting booth, but the result could have ripple effects across the region and for U.S. foreign policy.

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