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**TAIWAN'S PRESIDENTIAL AND  
LEGISLATIVE ELECTIONS:  
IMPLICATIONS FOR TAIWAN, THE UNITED STATES, AND  
CROSS-STRAIT RELATIONS**

**Panel One:  
Analysis of the Presidential and Legislative Elections**

*Center for Strategic and International Studies  
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ANDERSON COURT REPORTING  
706 Duke Street, Suite 100  
Alexandria, VA 22314  
Phone (703) 519-7180 Fax (703) 519-7190

## **Introduction:**

RICHARD BUSH  
Senior Fellow and Director  
Center for Northeastern Asian Policy Studies  
The Brookings Institution

BONNIE GLASER  
Senior Fellow, Freeman Chair in China Studies and Senior Associate, Pacific Forum  
Center for Strategic and International Studies

## **Panel 1: Analysis of the Presidential and Legislative Elections**

### **Moderator:**

EDWARD McCORD  
Director, Sigur Center for Asian Studies  
Director, Taiwan Education and Research Program  
The George Washington University

### **Panelists:**

ANTONIO CHIANG  
Columnist, *Apple Daily*

CHU YUN-HAN  
Distinguished Research Fellow, Institute of Political Science, Academia Sinica

DAFYDD FELL  
Senior Lecturer in Taiwan Studies and Deputy Director, Centre of Taiwan Studies  
School of Oriental and African Studies, University of London

## **Panel 2: Lessons from the Past, and Policy Issues for the New Administration**

### **Moderator:**

NANCY BERNKOPF TUCKER  
Professor of History, Edmund A. Walsh School of Foreign Service  
Georgetown University

### **Panelists:**

DAVID WEI-FENG HUANG  
Associate Research Fellow, Institute of European and American Studies  
Academia Sinica

KAO SU-PO  
Executive Director, The 21<sup>st</sup> Century Foundation  
Associate Professor of Law, Shih Hsin University

DOUGLAS PAAL  
Vice President for Studies  
Carnegie Endowment for International Peace

**Luncheon Keynote Address:**

RICHARD BUSH  
Senior Fellow and Director  
Center for Northeastern Asian Policy Studies  
The Brookings Institution

**Panel 3: Implications for the United States and Cross-Strait Relations**

**Moderator:**

CYNTHIA WATSON  
Professor of Strategy  
National War College

**Panelists:**

BONNIE GLASER  
Senior Fellow, Freeman Chair in China Studies and Senior Associate, Pacific Forum  
Center for Strategic and International Studies

ALEXANDER CHIEH-CHENG HUANG  
Assistant Professor , Graduate Institute of International Affairs and Strategic Studies  
Tamkang University

CHU SHULONG  
Professor, Institute of International Strategy and Development  
Tsinghua University

LAI I-CHUNG  
Executive Committee Member  
Taiwan Thinktank

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## PROCEEDINGS

RICHARD BUSH: Ladies and gentlemen, if I could have your attention. My name is Richard Bush. I work at Brookings and I think we should get started.

I'm actually representing Bonnie Glaser here. She's stuck on the Metro between West Falls Church and Farragut West. She will arrive when she arrives but she asked me to not delay the proceedings on her account. This gives me an opportunity to thank her profusely for all she did and her staff did to make this event possible. We are really pleased to partner with her on this occasion and I think that we're going to have a really great event.

I'm pleased that so many of you could come on such a nasty day. I'm particularly glad to see my former colleague, Barbara Schrage, managing director of the American Institute in Taiwan. The program you have before you, three panels, a luncheon talk by yours truly, and we're particularly pleased to have so many outstanding scholars from Taiwan to help us understand Saturday's election and what it means for a variety of different issues. We're also pleased to have one of the People's Republic of China's most outstanding scholars of international relations – Chu Shulong, my former colleague.

So since we have so much talent on tap I think we should get going and I'd like to turn the proceedings over to Ed McCord. I don't know if his two remaining panelists have arrived but they're staying in the neighborhood so they should show up pretty soon. Ed.

EDWARD MCCORD: Well, I hope some of you are awake. I know a lot of us were in Taiwan and we're all a little jetlagged. I expect to see yawns today but that's okay. You know, we'll understand why you're yawning.

Our panel this morning is titled "Analysis of the Presidential and Legislative Elections," so it's a very broad title. And I think as we expected in this election as well, you saw the same kind of major themes that always happen in Taiwan elections. This time there was some attempt at emphasis on domestic issues, economic issues, and government efficiency issues, mainly by the DPP and by James Soong. Then there are the perennial identity issues—much less in force, it seems to me, this time than in previous elections—and then finally, of course, the cross-Strait relations which always can overwhelm everything else. So those are the three kinds of themes I thought really did provide kind of stability in terms of election to election. But we also saw procedural things like charges of corruption or charges and countercharges of corruption or government mismanagement or dirty tricks, things like this. And then, of course, there is also the element of external forces—influence of the United States, influence of the PRC.

So those are what I feel are kind of the broad issues in the election. But what I was hoping, of course, is to hear from our very expert panelists today to kind of straighten out what was really most important among that possible spread of issues. And so since our other two people aren't here we're going to reverse our order of people and we're going to start out with Dafydd Fell, who is the senior lecturer in Taiwan studies from the Department of Political and

International Studies at the School of Oriental and African Studies in London. He is also the deputy director of the SOAS Center for Taiwan Studies. He is the coordinator of the European Association of Taiwan Studies. He's written a number of books on Taiwan, most recently it was *Government and Politics in Taiwan*, which came out in 2011. So without further ado I'll turn the podium over to Dafydd Fell.

DAFYDD FELL: Right. Thanks very much. It's great to be back in Washington. I was just here about a month ago looking ahead and making some predictions on the election. So it's nice to kind of come back and see what I got wrong and what I got right because I don't have the best record in the world for actually predicting Taiwanese elections.

I've been very fortunate to have been in Taiwan for most of the major elections over the last 20 plus years going back to the late 1980s. And each election has its unique features. From my perspective perhaps the most unique feature of this election campaign has been the merging of the presidential and parliamentary elections, the first time this has ever happened. And one of the most interesting things for us political scientists in this election has been the interrelationship between the two campaigns.

Now, merging these two elections together has had its positive and negative sides. One of the stated motivations for merging these two elections, of course, was saving campaign spending. I think to an extent -- to a certain extent that has actually been true. And also another positive aspect has been improved parliamentary voter turnout, which in recent years there's been a decline in parliamentary voter turnout.

But there have been some negative implications for merging these two elections. To a large extent the parliamentary election has been overshadowed by the presidential campaign, at least until the final month of the campaign. Taiwan's Legislative Yuan is an extremely powerful body, but it's also an extremely unpopular institution. If you look at public opinion surveys you find that voters have extremely low trust in legislators and political parties. And that has meant that in this election the parliament hasn't received the democratic scrutiny that it deserves.

Of course, saving money was just the stated reason for merging these two elections. In reality, both parties were motivated by partisan advantage. The KMT's hope was that incumbent KMT legislators would help the campaign of a relatively unpopular presidential candidate. In contrast, the DPP's hope was that a strong DPP presidential campaign would help a large number of new parliamentary candidates. Now, if you look in detail, I think we find that both were right. But it varies geographically in terms of the interrelationship. Overall it would appear to me that the DPP benefitted more than the KMT by this merging and I think the KMT would have actually done better if the two had been split.

Now, one of the things that I've been particularly focusing on in looking at in this campaign has been the parliamentary election. And hopefully that means that I won't be overlapping too much with the other two speakers. One of the things that I've been arguing repeatedly both in my writings and talks over the last couple of years has been the importance of

Taiwan's parliament. In many ways I would argue that the parliamentary election was actually more important than the presidential one, but of course in terms of media coverage that hasn't been the case. If you think about the Chen Shui-bian era, one of the key lessons as I've mentioned in my last talk in Washington was that essentially without parliamentary control presidents are extremely constrained in Taiwan. That meant that even if Tsai would have won this election I think she would have been forced to moderate her position without control of a parliamentary majority. So to a certain extent the KMT's terror message, the idea that Tsai's election would have meant a ruining of cross-Strait relations, economic relations, was a bit of an exaggeration because Tsai would have been extremely constrained.

Overall, if we look at the parliamentary results we can see that the system still favors the KMT. But I think there have been some positive trends in this election, particularly the increase in political diversity, the fact that third parties have actually received seats. And I'll come back to that a little bit later. Overall, this parliamentary election was a disappointment to the DPP. Essentially, the DPP managed to win back seats that it should have won back in 2008. There were a few surprises in the results, places like Penghu, which was won by the DPP for the first time. But the DPP also had some major setbacks. And of course, the DPP also lost some seats that it had won in by-elections.

Although the DPP only won 40 seats on this occasion, it could have won quite a lot more. And indeed, some predictions were talking about the DPP winning 50 percent or even a parliamentary majority. One political scientist in Taipei was predicting a possible DPP majority. And here it just would have required quite a small vote swing for the DPP to have done far better because it lost narrowly in about six seats. So it just needed a small swing here.

If we think back to this first Ma Ying-jeou term, the KMT lost quite a large number of seats as a result of vote buying cases. This means that if we see a similar kind of trend then the KMT's narrow majority could actually be eroded and become a less workable majority. So I think to a large majority Ma Ying-jeou is going to be constrained in the parliament despite his seemingly working majority.

Now, why didn't the DPP do as well as people like myself and others had been predicting? I think the DPP did make some strategic mistakes in this campaign. Some of these I think are focused on this campaign but some of them are quite long-term mistakes. I think one of them in particular that I've been quite critical of the DPP over the last decade or so has been that it's tended to put too much focus on presidential campaigning and not enough on the parliament. And I think we can see this in this election.

In this election I think it's also made some errors in terms of its nomination. In other words, it had too many inexperienced candidates in parliamentary district races and I think this -- and it also had many very strong candidates in its party list that could have won or at least been more effective at the district level. I think the best example of this is the DPP's nomination in Taipei City where most of the DPP's candidates were quite young and less experienced up against very strong KMT candidates.

Now, one of the things that I think we found as election observers this time is the question of how are the parties going to cope with defeat? Now, one conclusion that we came to was that defeat would have been far more damaging for the KMT. The KMT has been over-reliant on Ma Ying-jeou for the last decade or so and I think the KMT would really have struggled with losing the presidential election. It would have gone through a very serious power struggle. For the DPP which is the losing party on this occasion we have the question of whether Tsai Ing-wen can actually survive as party leader and potentially presidential candidate in 2016.

When we asked the question about who would be a potential successor to Tsai Ing-wen if she doesn't continue to stand, it was quite disappointing to hear a number of old names, people like Su Tseng-chang. Nevertheless, if we look at the way Taiwan's political parties have coped with defeat or learned lessons of defeat, I think I would argue that the DPP has been much more successful at dealing with defeat and recovering from defeat. We see this in the way it recovered from setbacks in the 1990s and the way that it's within only a couple of years it recovered from the quite disastrous elections of 2008. In contrast, the KMT tends to be much slower at responding to defeat, and we saw that in the way it responded to defeat in 2000 and also in 2004. It took the KMT almost five years to really become electable again after the 2000 defeat.

Now, parties don't always learn the right lessons of defeat. And in many ways observing this election reminds me a lot of the British general election of 1992 when many observers expected Labour to come back to power but at the last moment voters opted for the safe option. After Labour lost in 1992 it went through very, very comprehensive reforms and made it electable. And this is the kind of lesson that the DPP needs to go through on this occasion. It needs to look at how it can expand its base, how it can win floating voters, swing voters, and it's going to need to look for a really convincing new vision and I think it needs to look again at its cross-Strait policy.

Now, overall I think there have been some positive trends in this election. One of them I'm particularly pleased with is seeing an increasing political diversity particularly in the parliament. The fact that we see seats won by the Taiwan Solidarity Union and also the People First Party I think is a very positive sign. Even the Green Party was able to reach a record vote share and actually become the fifth largest party in terms of vote share in Taiwan, exceeding the former important party, the New Party. I think it was also good to see the parliament become much more balanced. The election in 2008 saw the KMT getting almost three-quarters of the seats, which made Taiwan look almost semi-authoritarian in some respects. So I think this new balance is a very positive sign.

Of course, disproportionality is still a problem in the Taiwanese political system with this kind of single-member district electoral system. But again, I think it was positive to see that following the election again there was some discussion of electoral reform of the parliamentary system. Whether or not it can really happen is another big question.

So overall, despite some kind of worrying signs, for example, in terms of external pressure on Taiwanese voters, I think there are a lot of positive signs. And I think the increased

diversity and increased balance I think make Taiwan's democracy look much more optimistic than in the last four years.

(Applause)

DR. MCCORD: So we have our full panel now so we'll go back to our original order. Our second presenter is Antonio Chiang, a journalist and a publisher. He was very active in the *dangwai* democracy movement in the early years. He was the co-founder of the *Journalist Magazine*, editor-in-chief of *Taiwan Daily News*, founder of the *Taipei Times*. He also received a master's in political science from National Chengchi Daxue and served as the deputy secretary general of the National Security Council from 2000-2004. He remains today a political commentator and a columnist and a senior fellow for the Institute for National Policy Research in Taiwan. So with those credentials I am looking forward very much to hearing from him.

MR. CHIANG: Good morning. Thank you. I am very sorry to keep you waiting. I mean, to come late here.

First of all, I have to thank CSIS and Brookings for the invitations. But I think the topic today is not easy for us because I will hope a DPP win is more exciting. We [would] have the first female president. We [would] have a lot of talk. But now it seems back to business as usual. So everybody could be very wise to explain what's happening in Taiwan. A lot of people are disheartened. A lot of people are overjoyed by the results. For people like me I'm not so surprised because I saw so many elections in the past more than 30 years. Constant elections. So I have confidence that the voters will play the kind of invisible hand and try to balance, compensate. They always compensate defeat with some reward. And they teach some lessons for the winner.

For the past we have already done more than four times a presidential election so this, the fifth time, I think most of the people agreed this is the first, the best election, presidential election we ever have. In terms of the electoral culture, the improvement of the platform, vote-buying—nobody really talks about vote-buying. Nobody talks about unification or independence. And the ethnic mainlander/Taiwanese issue is gone and also nobody talks about Taiwanese history.

So it seems that the page is turned over. You know, maybe because we have the best candidate from both parties, Ma Ying-jeou and Tsai Ing-wen: their personalities, their style, their background is very different from traditional politicians. So we have to give them credit for improving -- not much negative campaign when you compare U.S. elections. (Laughter) Best of all, we have no "magic bullet" this time. So everything seems to run very smoothly and professionally. They're ready, the machines, advertisements are very professional. I think we have enough know-how to export to people maybe in the Middle East. (Laughter)

I remember the eve before the voting. We met with a lot of Chinese reporters and writers from China and Hong Kong. This time they had more than -- maybe I am wrong, but I know they have more than 2,000 people from mainland China observing this election. And lucky

to meet with very famous writers, poets, and reporters from China. And they are so excited witnessing this democracy in action. They went to the headquarters of KMT to see how Ma Ying-Jeou make a speech and then they moved -- they all went to Banqiao to see what happened in Tsai Ing-wen's loss last night, last evening. I mean, the biggest rally [before the election].

And they were so excited. And everybody came to the conclusion that there's no way for Ma Ying-jeou to win because -- (Laughter) -- because there's no comparison. I mean, the emotions and enthusiasm, the emotional reaction from the big rally. Tsai Ing-wen's big rally is emotional. A very big crowd and enthusiasm. That's very lacking in Ma Ying-jeou's. And they come to -- we have a very happy snack, nice snack until 3 o'clock in the morning. Everybody gets drunk. And they say, oh, Tsai Ing-wen win. I say no, no, come on, come on. And I said you cannot judge from the number, the scene of the rally because KMT used to be more emotional, and the voter -- and DPP is more enthusiastic. KMT is very different. So we cannot judge that result from the rally. So I just cool them down but everybody get drunk. And then they are so excited. They are so happy and then they became so sad. They said, oh, come on, we can never have that kind of election in China.

And this time it's not the question of the election. For me I'm not surprised that Ma win because from the beginning I believed Ma would win by a small margin. I believe that there is no -- the political atmosphere is not ready for DPP to get the power back. I think Tsai Ing-wen still has the last mile to cross. The last mile can be a very long mile.

So the issue here is not why DPP lost. The issue is why Ma Ying-jeou campaigned so hard, so difficult. He enjoys such a perfect modern -- any political leader enjoys three-quarters of the majority and perfect ruling. I mean, *wanquan zhizheng*. And he had the whole support of the business community. And those men from Washington, D.C., in whole support -- more than support -- more and more support from Beijing. He had all the good conditions—as we Chinese say, *tianshi dili renhe*. Yet, the campaign is so difficult. In the last stage he almost lost the election. The anxiety and tension in the Blue team was so obvious, so overwhelming. That's why in the last stage they played a kind of crisis card. Everybody fears a crisis. If Ma Ying-jeou loses, it's devastating for KMT. And some people think also cross-Strait relations.

So this time people wonder why -- how Ma Ying-jeou as a decent man -- how he lost that kind of mandate for the past more than three years. And the DPP didn't do much to improve. Tsai Ing-wen didn't say much. She had not enough charisma, didn't do much to prove her leadership. Yet she almost made -- I mean, she almost defeated Ma Ying-jeou.

According to the poll all the time, I mean, especially the last months, the KMT almost lost the election from every poll. There is a small, very small margin. So people wonder why it's -- a lot of people are thinking that DPP is going to win but then many people think why "piggy bank" can defeat "92 Consensus." And they almost defeated the '92 Consensus only through a piggy bank. But I think we have to credit "Jin Xiaodao." I think he has come out with a very skillful strategy. And the main reason for Ma to win the comfortable majority is because the issue the state. The state is about stability and change. And people for stability instead of change

because Tsai Ing-wen is untested because if Tsai wins there is so much unpredictable. I mean, people worry. They have no trust. And also because during the campaign, DPP tried to avoid the substantial, I mean, the issue. The party platform from DPP is rather vague, evasive. And some slogan is -- the slogan is empty.

So even a lot of people from DPP think Tsai Ing-wen will have a soft landing. She will [would] cope with the crisis after she gets elected with very skillful, I mean, in a way to calm down the tension. But in the end people vote for stability.

This election, as my friend Mr. Fell mentioned—I am so glad that I speak after him; he gives a lot of comprehensive analysis, giving all the facts. The LY is very important and the result of the LY a bit more healthy, new balance. The KMT -- even KMT won the election but actually KMT lost many votes, many seats. And DPP increased to a more healthy opposition strength. KMT went from 81 seats to become 64, and DPP from 27 now increased to 40. So, in fact, DPP had an increase on the rise and KMT is declining. That's more healthy because that comes back to the basic structure of society.

And also the presidential election. The KMT, the Ma Ying-jeou from his last time [2008] 56 percent to now 51 percent. They've downgraded; I mean, they lost 5 percent. And DPP is increasing 3 percent. So DPP's on the rise. The general trend is DPP on the rise and KMT is going down. But this is no surprise because I think that will be more healthy, more balanced. And as Mr. Fell mentioned, the third party has more space. That's very encouraging; I share that view. TSU and People's First Party also all have their caucus in the LY.

But I think overall our Taiwanese social structure rather reflects -- the social structure is rather stable. The north and south and central, KMT is dominating the north part of Taiwan and DPP on the south. And the central is for everybody. So these structures seems very difficult to move around. And the percentage of DPP and KMT in terms of percentage, I think is about 45 to 55. The same, you know, DPP and KMT's strengths are very competitive. That means Taiwan is a middle class society. It's not easy to make a drastic change. They always come back to the balance.

Talking about the most sensitive issue is about 22 Consensus. The 22 Consensus is kind of, I don't know, is a mantra or --

SPEAKER: '92?

MR. CHIANG: '92 Consensus. '92 Consensus. Okay. Some people said this election results are a reflection, a fomentation of the mandate -- is a kind of referendum of '92 percent. '92 Consensus. But I think this mandate is a reduced mandate I think maybe it's overreached. People vote for stability, not necessarily vote for '92 Consensus.

Consensus is a secret code. It's a kind of prayer before breakfast. Somebody said you have to pray. Pray before you eat. But DPP said, no, I just want to eat. I don't want to pray.

It's already 20 years, '92 until now is 20 years. The first first-born 20 years ago is now the first voter. They don't know what that means, the '92 consensus. And according to the opinion poll, more than 70 percent of people don't understand what that means. '92 what? Nobody knows. But don't care. It doesn't matter. '92 is '92. Okay? Just a prayer. We don't need to go into the contents.

This election also shows a generational succession. People, the old men like Lee Teng-hui and Lee Yuan-tse, I think this is their last chance to support the DPP in public. A lot of people in DPP are very moved by Lee Teng-hui and also by Lee Yuan-tse. They sincerely believe that Taiwan in the turning point. But I think also some young people don't care. They don't think this way. They don't think Taiwanese are in a crossroad. So, and Lee Yuan-tse and Lee Teng-hui show up in the rally have kind of -- can backfire, make KMT very nervous. They didn't get much vote from -- no help from middle voters. And especially Chen Shui-bian. I think that the fact that he played some politics in the funeral and that his son in the election made a lot of people very nervous. And then the debt from DPP's, I mean, they returned the debt. From then on, from now on DPP doesn't care about Chen Shui-bian. I think most of the people are fed up with that kind of -- with A-bian's shadow. So I think DPP is out of the shadow of Chen Shui-bian this time.

And here I have to say something about Tsai Ing-wen because most -- maybe many people don't understand, don't know her enough, including me. But I have some traditional, I mean, I work with her for some time and I have personal observations. I think Tsai is a very, very untraditional politician. Is very different from traditional DPP. Her background, her education, her lifestyle. She is very different from -- she is very new for DPP. And DPP is very curious about her, too. But she has the kind of charm that a lot of people cannot resist.

As a woman candidate politician she looks so innocent. Maybe it is a disguise, I don't know, (laughter), and no ambition. And she plays a very quiet charming to disarm everybody. So all these faction leaders were disarmed by her. She began as a reluctant politician, then it seems she had a strong sense of mission. And she's a very soft spoken and logic and rational in private. And when you people talk to him, talk to her, I mean, especially you see she has special appeal to intellectuals, to middle class, to young people, to women, and to high tech people, and she very appeals to the professional.

I think if she got elected she would -- maybe it's too late to say that but she will accrue a lot of professional talent in her government because maybe many people here including Alexander Huang have worked with her and they know that her personality -- she has a lot of friends in the professional field. And I have confidence if she has a chance to run the government she will run very carefully. She will be cool. She is more conservative than most people think but very persistent. As a negotiator, she is very careful. She's always talking about security net. She's not a leader that's always leading; she's more defensive, preserve the status quo. I think people should give her more confidence. But the fact that she's new in the party, she's by accident become the chairwoman of the party. She's reluctant to come out with her idea, afraid of making somebody unhappy during the campaign. That's why she tried to be evasive. As a professional lawyer she's a very -- she's someone who put all her stake in public.

But DPP, everybody knows the times have changed so much and so I think if DPP has a second chance they will come out very differently in cross-Strait relations and they will confirm -- next time they will confirm the '92 Consensus. And this time the KMT also tried to reform the party, not initiated by their party structure but they tried to come up with some new faces. I think we should give credit to Ma Ying-jeou and also "Jin Xiaodao" for that new face. They tried to avoid -- no money politics this time. I mean, the party didn't provide big money for the candidates. I know that because Ma Ying-jeou ran on KMT's platform. But in the end I think the election is always a humbling process for the politicians but this time and every time the election comes slowly updating our democracy in Taiwan. And democracy is working, it's in action, and it's marching this time.

With that I conclude my speech. Thank you. (Applause)

DR. MCCORD: I'm going to speak from down here so Dr. Chu can work in his PowerPoint presentation.

So our final panelist today is Professor Chu Yun-han. He is a distinguished research fellow at the Institute of Political Science Academia Sinica and professor of political science at National Taiwan University. He is also the president of the Chiang Ching-kuo Foundation. He received his Ph.D. in political science from the University of Minnesota. He specializes in Chinese and East Asian politics, political economy and democratization. He is the author, co-author, editor of at least 13 books. His most recent book in 2008 was *How East Asians View Democracy*. And I'm done but I'm not sure if you want me to talk more about you so you can get set up. (Laughter.)

CHU YUN-HAN: That's my trick, you know, to try to get more advertisement before I speak. Nevertheless, good morning. It is truly a pleasure to be here. Thank you, Bonnie and Richard for inviting me to this very important event, the very first event within the Beltway analyzing this very important election.

[\[Click here to view Chu Yun-han's PowerPoint presentation.\]](#)

As the third speaker on the panel, actually, I would only, you know, add a few footnotes following two great speeches. And I think I will actually just, you know, pick up from where Antonio left off. I think before I really get into the dynamic of the election itself I would rather, you know, offer my assessment about the quality of democracy as has been reviewed through this campaign process. And we see many signs of maturing democracy in this particular race.

We know that this election is the fifth popular election for the highest executive office on this island. Since popular election for president was introduced in 1996. And for the parliamentary election this is the seventh for the national representative body since 1992. So in a way competitive electoral election and power rotation have become normalized. And in a way you might argue that the partisanship also has become steadily more crystallized.

At the same time I hasten to point out that the road to democratic consolidation has not been a very smooth one. We have traveled down some bumpy roads over the last decade. Based on survey data we can witness that the citizens' confidence in the democratic system has suffered quite a setback due to the protracted political gridlock and the escalation of conflict over national identity between 2000 and 2008 but has been gradually restored in the recent past.

Let me get your attention to the turnout rate itself. I think actually it's not just a number. I think there's a very important story behind this number. If you look at the trend, you know, for the four recent presidential elections, each time the turnout rate dropped about two to three, sometimes four points, percent. So if we compare with the year 2000, you know, it's an eight point drop. And if you compare with the last election, 2008, it's almost a two point drop. I think this actually is a way Taiwan's democracy becomes more normalized, routine.

But nevertheless, this almost 75 percent turnout rate suggests that the passion of the island's electorate remain quite high. But no longer at a traumatic level. And before the election there have been a lot of predictions. This time the turnout rate will actually, you know, be higher than the previous one. That's the prevailing view among the pundit. The pundit turned out to be wrong, okay. And they have two good reasons. One, they perceive tightness: there's going to be a very close race so that usually will mobilize more people to come out. And also you have the synchronization of the parliamentary election and the presidential race. So that might reinforce each other but it didn't happen this way.

But at the same time I still have to say that this turnout rate cannot be sustained over the long term. It requires still a lot of passion in citizens to have this concern now. The reason why in Taiwan we don't have the absentee ballot, okay, so a lot of people for physical reasons, institutional reasons, they were not able to vote no matter what. At any point in time we have about 6 percent of the population, believe it or not, they were hospitalized. Okay. Waiting for surgery, you know, recovery, whatever. Okay, usually they don't come out and vote. We have active duty, a military officer who is stationed in places far away from their home, and also we have a large number of people who live and work overseas. Not all of them can come back. Although this time obviously many, many Taiwanese especially return from mainland China and also some of them from the west coast of the United States. But most of them wouldn't have the time, energy, and money.

So if you take those people out of the picture, this 74.4 turnout rate can be translated into a de facto turnout of more than 85. Okay. Much higher than any other mature democracy that we know. And higher than South Korea by far. By far. But nevertheless, it's just a slow trend, meaning that signs of over-mobilization have gradually dissipated. And the skill of mass rallies—and although I will say still, you know, very emotional, very impressive—but if you compare with what has happened in the past, each time those rallies have drawn a steadily smaller crowd. Okay. So I think that's a healthy sign.

This is the kind of passion. Okay, before the wedding the bride managed to cast her ballot, something even more important than her wedding ceremony. Anyway. And I think

another unusual -- so that's what Antonio said, the page of history has turned, in the sense this is the first national election in recent memory where the Taiwan independence issue was not on the agenda. Okay. Maybe it's still in the background but not up front.

The DPP held back its frontal challenge to the legitimacy of state structure or the ROC constitution. Okay. No more tactical move to tie a provocative referendum to a presidential race. Remember what happened before. Okay. And so the national identity issue is overtaken by the debate over the 1992 Consensus. So I would argue that the politics of polarization have taken a milder and less divisive character. Aspiration for Taiwan independence is being replaced among the Green constituency by the fear of being infiltrated and assimilated by China. Okay. Is that really the chief psychological factor that drove them to the polling station? But nevertheless I don't think for the Green camp voter, for them it's no longer okay that, you know, it's the end of the world if Ma gets re-elected. You know. They worry but they are not desperate. I think Ma's three nos—no independence, no reunification, and no war—the open pledge help in part neutralize the anxiety and hold off this potentially explosive issue.

I also think we should congratulate ourselves. A young democracy. This is an election with civility in many important ways. Ma Ying-jeou's mainlander background, non-native status, was never an issue; nor were Tsai Ing-wen's female or marital status. No major dispute. I wouldn't say no dispute, but no major dispute over the fairness and freeness of election. Antonio also mentioned there were no more bizarre incidents, dubious shocking events on the eve of election day. Although both can still practice, you know, just like any other democracy nowadays, but it was conducted by and large within limit of reason and popular tolerance. And in the end, DPP, especially Lady Tsai, gracefully and calmly accepted the results.

I also think this election is an election that carries another important feature. We do have some meaningful and substantive debate over some important issues, over the strategic direction of Taiwan. So I think the election offered a meaningful choice for the citizens. I would condense them into three issues which define the prudential race. The first and foremost is cross-strait relations. So Ma Ying-jeou's, his more conservative approach, was subject this time to a timely popular approval. The second issue is about the integrity, capability, experience of the leadership. And the third issue is related to the second but I will still separate, you know, conceptually separate from the second. It's about which party is more capable of addressing the economic challenge brought about by the Euro crisis in the short-run and the growing socio-economic inequality in the long-run.

Now then I moved to account for the outcome, Ma's convincing win and Tsai Ing-wen didn't get the kind of majority support the DPP had hoped for. I think it's actually quite simple in hindsight. Basically, Taiwan's electorate found no reason to replace the incumbent with a proven track record with someone with unknown quality. So Tsai, her leadership is still untested and many people still have a lingering doubt about her capability in managing the cross-strait relationship but also the economy.

The majority of voters, you know, 51.6 percent, were not persuaded that they should unseat an incumbent president who had brought peace to the Strait, earned the trust of

major allies especially the United States, expanded the island's international space, managed the impact of the global financial crisis relatively well, and kept his promise of delivering clean politics. So the stability-conscious middle class and business community especially want to stay on the course of cross-Strait rapprochement and preserve the momentum of reinvigorating Taiwan's economic vitality.

And the other side of the same token is how I explained Tsai's failure to expand DPP's electoral base. Nevertheless, I would argue that she did, by and large, a quite effective campaign in many ways. Okay. At least she helped the party restore the kind of electoral strength it used to enjoy.

But nevertheless, I would still argue that the DPP's cosmetic adjustment to its China policy did not bode well at both fronts. It is too vague to convince the independent voter and too timid to galvanize its traditional supporters. And I have evidence to support this argument. The decision to place emphasis on the issue of socioeconomic equality or inequality did not give DPP a decisive, competitive advantage. As the KMT is inherited with the legacy of a casual party and also is known for its ideological eclecticism. The DPP ticket—although I agree that, you know, Tsai is a very, you know, I think attractive candidate among especially the younger generation voter—I would argue that the DPP ticket was not as strong as it can be. I would argue that Su Tseng-chang plus Tsai Ing-wen would be a stronger ticket in comparison. And it turned out that Su Jia-chyuan, Tsai's running mate, turned out to be a liability rather than an asset.

And also, the DPP, I think their strategy to prop up James Soong's electability turned out to be counterproductive because his entrance into the race and also the fact that he still maintained a considerable portion of popular support well into the campaign really created a sense of crisis among the pan-Blue constituency. But the reason why James Soong can have that momentum in the beginning, thanks a lot to the Green camp's mass media. They gave him the interview after interview, things like that.

So basically in the end Tsai only recovered the DPP's electoral strength, 45 percent, and couldn't really move beyond that threshold. And then everyone has to answer this question: why Ma's winning margin surpassed most people's expectation, including myself. I always predict that Ma might win the election by 2, no more than 3 percent percentage points. And the answer lies in the question itself. Most people believed it's going to be a very tight race. And that is the reason why the many, many independent, stability conscious independent voters and reluctant, lukewarm pan-Blue voters, you know, eventually they will prompt it to come out to vote. And also many more Taiwanese expatriates return home and some of James Soong's loyalists eventually in the end they decided to split the vote. So that's why the PFP got more than 5 percent for the party list in terms of popular vote but much less for himself.

And in addition, the last point is very important. Normally if the pro-Green constituency are truly enthusiastic and passionate enough, the turnout rate in the south would be higher than the turnout in the north but this time it is just opposite. Taipei and Taoyuan and Xinbei, on average they all have at least 1 percent or even 2 percent, 3 percent higher turnout rate

than Kaohsiung or Tainan City. This explains what I just said, this sense of crisis among the pan-Blue voters.

Another interesting question is why the election appeared to be too close to call. What really fumbled and puzzled all the experts, including myself and Antonio and people who get drunk, right, you just mentioned. First of all Ma initially looks kind of honorable. But he entered the race with a 34 percent approval rate and 53 percent people who disapprove of his performance. However, among those 53, many of them are the pan-Blue and deep Blue voters. They blamed him for a variety of reasons, obviously very different from the Green camp.

And secondly, no reliable poll figures due to a very high portion of responders refusing to indicate a preference, even up until the last day of the campaign, I think there are many pan-Blue voters who are kind of really reluctant, lukewarm. So they refused to express very overtly they are going to vote for Ma or they might come out to vote at all. And those are the conditions by which the forecast was influenced by and outdated. Now I can say outdated. Okay. Yes, okay. [There was a] received view which assumes that the polls tended to underestimate DPP candidate's real electoral strength. So everyone says even though – I would say most of the polls -- actually this one I want to correct what Antonio has said. Except for the *Liberty Times* poll, most polls predict Ma will enjoy a 3 percent to 8 percent lead, but nobody is believing that. They have this assumption. So you have to do some waiting.

Anyway, I think it was also very difficult to predict exactly how much vote James Soong might eventually get. How many people will vote sincerely and how many people will vote strategically? And both camps wanted to sustain the public's perception of the tight race for different reasons. The DPP, okay, to sustain the morale, to generate the bandwagon effect. Okay. The KMT to play the crisis card. So they converge.

I know I'm running out of time but maybe I will just go quickly. I think what's the implication? I don't want to upstage the speaker of the follow-on panel but I just want to say a few words here. I think this election consolidated the political coalition behind the KMT policy of cross-Strait political conciliation and economic cooperation. And also I think the center of political gravity has been shifted. The *de jure* independence agenda including new constitution, new nation, U.N. membership and self-determination and so on and so forth is overtaken by the more programmatic debate over how to maximize the gain and minimize the costs and risks with the cross-Strait economic integration and the larger process of economic globalization.

I also feel that for the next four years there will be less political obstacles to cross-Strait economic integration. I think Ma will stay on course and also he will feel quite confident. The KMT, although, have a reduced majority but still a solid one. Sixty-four plus three independents. I think they will stick together. And also, I also argue that while many people argue that many low hanging fruit, I mean, you know, in terms of cross-Strait relations has been picked but I believe there are many more left to be picked over the next four years. And also DPP will -- I think will revisit its foot-dragging strategy as Tsai Ing-wen herself openly pledged that her party will not turn back the clock if she gets elected.

And I think this time the two-party system has been further consolidated—and the TSU, when you look at this election for the LY, if you add that popular vote and this time the TSU actually they decided not to nominate any candidate in any district. So DPP would be able to capture the entire potential electoral support among the constituency for the district LY election. And I think the future fate of the minor party I don't totally agree with. My two previous speakers: I think they are quite precarious. I don't think -- maybe the Green Party might have a better future but the TSU and PFP, I don't think they will survive the longevity of their charismatic founders. Okay. And this time the TSU gets 9 percent due to sympathy to Lee Teng-hui and this could be his last time to come out on the stage.

But lastly I want to argue that a domestic political agenda will consume Ma's most political capital and energy during his second term. He will need to overcome the resistance to economic openness, speed up the FTA negotiations with major trading partners and prepare Taiwan for the Trans-Pacific Partnership which is for the medium- to long-term. And also he needs to accelerate the restructuring of the economy to upgrade and diversify Taiwan's exports. And most importantly, he has to find a way to cope with the worrisome demographic trend that Taiwan will be wrestling with for the next decade

I'll stop right here. Thank you for our attention. (Applause)

DR. MCCORD: Well, I hear a consensus emerging that stability is very important. I was trying to think if there were any lessons to the upcoming American elections. Does Obama have to become the president of hope and change to become the president of stability? Is that the key?

We have time for questions, about 15, 20 minutes for questions. What I'm going to ask, I'll pick people. Please make sure to identify yourself very carefully. Also, don't do a presentation perhaps. You know, do a question. Make your questions very short because we want to get a lot of questions in. If you want to make your question to a specific member of the panel, say which panelist you want to do it to, otherwise we'll open it to all of them to respond. We also have roaming mics, so don't ask your question until you get a mic in your hands. Okay. So we'll just go ahead now.

QUESTION: Thank you very much. Jack Zang from the Eurasia Group. My question is about the future of partisanship in Taiwan. Do the panelists see the two major parties moving towards an increasingly polarized party platform going forward as is often the case in the two-party system? Or do we believe that for the next election the parties will align increasingly to the center as we see in this election? Thank you.

DR. FELL: Yeah. I think it's a great question because one of the things we saw in particularly the latter period of the Chen Shui-bian was a move towards polarization. I'm pretty sure that in this campaign we have actually seen movement towards the center. The DPP's movement has not perhaps been as -- gone as far as it needed to to win elections. I think a couple of us have alluded to that. My instinct is that the DPP is going to continue to move towards the center in this next phase, at least if it really wants to win reelection in 2016. And I think it should

have a very strong chance, particularly facing a new KMT candidate.

So overall, presidential and also single-member district electoral system does seem to be pushing Taiwan's parties towards a moderate position. The other thing we need to think about in terms of your question is that overall Taiwanese voters are very conservative. If you look at the opinion poll data on national identity, if you compare the kind of average voter to politicians, again I think you'll find that most Taiwanese voters are very moderate. And I think that has a very major constraining role on political elites in Taiwan.

QUESTION: Eileen Lin from Formosan Association for Public Affairs. Many aspects of this election were focused on domestic issues, such as jobs and the environment. According to certain policies, many people are not happy with the unemployment rate, as well as the skyrocketing housing rate. So why do you think the Taiwanese people prefer stability over change?

Also, for Mr. Chu, you stated that the election result reaffirmed Taiwanese people think President Ma's close ties with China is a better option. President Ma also has many other policies, not just the cross-Strait one. So what specific evidence do you have to make such a conclusion? Thank you.

DR. CHU: Thank you for the question. Well, first of all, on the one hand yes, among the younger generation, especially people who are just out of college, it's very difficult for them to find a decent job in this overall economic environment. Although this is not an issue or problem unique to Taiwan. I think it's everywhere. So in relative terms I would say the unemployment rate, you know, it's not comfortable but not very serious. You know, it's 4.8 at the end of the last quarter when the data is available, the latest. And also I think that the DPP, although they are in the opposition so they can attack, you know, the Ma's administration many, many, you know, aspects, including, you know, the socioeconomic inequality, you know, housing price, unemployment rate for the younger generation—but I don't think they have the recipe or panacea at all. And most people I see in the middle class and business community, they actually worry if there's a major rupture in the cross-Strait relations then the economy of Taiwan will suffer even more.

So I think, you know, that's why the stability -- not just stability, you know, versus the unknown, is not changed. It's uncertainty, and uncertainty in a negative sense. Whether people worry about the close ties with China, obviously yes, some people, a lot of people, you know, including a lot of people who voted for Tsai Ing-wen, but I think this is a challenge. This is a dilemma we all have to face. Not even the United States would be exempt from this dilemma. People will say the United States owes too much to Beijing in terms of who owns the largest share abroad of the U.S. Treasury bills. Every economy surrounding China now, you know, exports more to China than anywhere else. Okay? And that trend will continue. Although you can argue that Taiwan obviously is exceptional in the sense that we have to wrestle with the security implication. Right? So that's why we really count on United States support and security commitment under the TRA.

Not only that, I think what Antonio had just described, I think another very important defense, not in a traditional sense, that might protect for any future course of campaign from Beijing is how we might win over the hearts and goodwill among the opinion leaders, among those emerging middle class in China. Okay. If they regard Taiwan on the one hand as not provocative. At the same time it's a shining example of how democracy can be established in a culturally Chinese society. I think in and by itself it will give the Chinese leader very little pretext to be hostile, at least overtly, toward Taiwan. So I would argue that it's not a small challenge but something we have to wrestle with with wisdom and support from our major ally.

DR. FELL: Can I also have a quick response? I'm glad you asked this question because I think one of the things we have to be very careful about is oversimplifying Taiwanese elections just onto cross-Strait relations. I think particularly in this kind of setting I think voting behavior is affected by a lot of domestic variables. And I think Tsai Ing-wen was quite effective in using this kind of social justice appeal and it's been one of the key dimensions to the new DPP under Tsai Ing-wen since 2008.

But I think if we look at this kind of appeal comparatively, Chen Shui-bian was much more successful at actually offering some real solutions to social inequality, particularly using kind of a social welfare appeal, while in today's economic climate it's much harder to make those kind of appeals. So I think Tsai has really struggled with solutions beyond that kind of slogan.

QUESTION: Doug Spelman from the Woodrow Wilson Center. I wonder why does Taiwan not have an absentee ballot mechanism? Is there any chance that this might change? And if it were to change would it have much impact or not?

DR. CHU: I think there's little consensus between the two camps over introducing absentee ballot and how that system should be introduced and through what stages. For instance, we have so many Taiwanese expatriates living and working in mainland China. Okay. And people will say, well, you know, they live in an unfree society. So how can you guarantee the secret ballot, things like that? And also, at the same time you have people with dual citizenship living on the west coast. So there's a lot of complicated issues.

In any sense, I think the DPP objects to this reform more vigorously than the KMT, much more vigorously. They really worry about the army of Taiwanese expatriates living and working men in China. I don't think they will vote 100 percent for Ma. No. Not at all. But maybe 65 versus 35. Okay. So that's the ratio according to the conventional wisdom. Yeah.

QUESTION: Gregory Ho from Radio Free Asia. The question is about after many failures which poll will be more believable and trustworthy? (Laughter) Even the underground gamblers who know more about the sentiment of the election. They lost money. (Laughter) So and even the issue of fair exchange they are predicting wrong this time so could you give us any insight which poll we should trust from now on? (Laughter)

DR. CHU: Well, okay, let me get to your point that whether the bookmaker may

have a better sense, unfortunately not. You know, it depends on in the south, yes, there are some bookmakers they bet in Tsai Ing-wen's favor. But in the central part and the northern part it's the opposite. People who are kind of influenced by their immediate surroundings, the atmosphere. Okay. So people, they are not very "rational." If people are really fully informed, rational actors then we won't have a Lehman Brothers crisis.

Now, getting back to the poll, I think nowadays the internal poll I believe that the KMT have conducted turned out to be quite reliable, looking at it hindsight. But nobody really entirely believed it. My colleague, Hong Yongtai, you know, he worked closely with the KMT headquarters and they used a more systematic way to do the stratify sampling and they enlarged the sample size to more than 4,000. So they can predict not just the island-wide but also north, central, and south and so on.

Most media, I think the methodology they employ is flawed in many ways. It cannot cover people who use mobile phones only. They cannot cover overseas expatriates, and also they cannot overcome the fact that a lot of people who simply refuse to reveal their preference. So they have to do a lot of educated guess. And this time the futures market misfired in a totally different direction. I'm sorry, I don't have any good answer to your question. There are limits to what extent the polls can be reliable. But obviously we have to say the margin this time is not big enough. If Ma enjoys like more than 10 percent lead then it gives you some kind of assurance but not this time.

DR. FELL: My one suggestion is look at previous voting patterns. I think that's probably much more reliable than looking at quite biased media polling.

QUESTION: Betty Lin of the World Journal. Could the panelists address the timing issue? Because the election is only a few days before the Lunar New Year vacation so a lot of people, southerners working in the north, they didn't bother to go back home and come back to work for a couple of days and then make another long trip. Do you think this is one factor for people not showing up in the south? Thanks.

MR. CHIANG: Yes. I think that's an issue. DPP complained about the timing because the Chinese Lunar New Year, it's difficult to go back to the south and come back to work. So the students are still in school. But the weather also played a role. It was clear weather until the close of the polls. The weather worked favorable for KMT, too. So all kinds of favorable factors come together.

QUESTION: Well, thank you. Steve Kuo, I'm the senior advisor of TECRO. My question is about the point you make, the new healthy balance on one hand which is an encouraging sign, I agree, but on the other hand do we need to worry about the possibility that we'll make the political gridlock that we often see even worse in the days to come? Thank you.

DR. FELL: I think if we think about democracy as having checks and balances, then I think this new parliament is very positive. I think the overwhelming domination that the KMT had I think created a sense of alienation among many people in Taiwan in Ma's first term.

So I think it's going to take -- it's going to be very hard for Ma to actually push his agenda. And actually, I slightly disagree with Professor Chu's comment that there'll be less obstacles for cross-strait development because I think it's going to be -- I think this will probably slow down development in cross-strait relations with a smaller majority.

And again, I think this is positive because you need to have checks and balances. That's a democracy. And it's going to take -- it's actually going to force Ma Ying-jeou and the KMT regime to actually look for some consensus. Even though the KMT was quite critical of Tsai on the Taiwan Consensus per se, some of Ma's post-election comments showed that I think he needs to reach out to other groups in society, not just the DPP but I think reach out to civil society. So I think that's very positive.

DR. CHU: I just want to add one point. I think the DPP has to think very deep about what kind of role they want to play in parliament, whether they want to continue the foot-dragging strategy which cuts both ways for their future electoral fortune. If they are content to be the permanent minority I think feel free to do that. If not, I think they have to revisit their strategy. And I think the fact that if you look at the ECFA initially for DPP it's like "over my dead body." But in the end they fully accept this *fait accompli*. And not only that, you know, Tsai Ing-wen, on her campaign trail she promised that nothing will change. Maybe if she gets elected she might want to slow down the process but I think DPP, too, they are living under a new reality. No one can totally ignore the larger trend which has been unfolded over the last decade.

DR. MCCORD: So finally I just want to see if any of the panelists had any last words they wanted to say after all the discussion.

MR. CHIANG: I think the last election is a landslide victory for Ma Ying-jeou in the year 2008. That's unhealthy. Now it's back to normal. The rotation of power of political parties will become a normal practice as a pattern. And if DPP can successfully overtake mainland policy, cross-strait relations, then DPP has much more of a chance to win back power than KMT. The key of the Taiwan relations is for DPP, not KMT. I think Beijing knows about this. And sooner or later DPP will take into power if they learn a lesson.

DR. MCCORD: Thank you. I'd like to have you join me in thanking our panelists for a very enlightening session. (Applause)

(Recess)