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RICHARD BUSH: I’m Richard Bush. I’m the Director of the Center for Northeast Asian Policy Studies, which is the unit at Brookings that is sponsoring today’s event on the Taiwan election.

I’m really pleased that you’ve all come. I’m really pleased that Shelley Rigger of Davidson College and Hsu Szu-chien of Academia Sinica in Taipei are here because they’re our speakers today. The way we will work this is that I will have a couple of introductory remarks and then ask questions of our resource people about the election and its implications. And then we will open it up for discussion.

Taiwan’s election takes place one month from today, on January 14th. It will be both an election for the legislature—the Legislative Yuan—and for the presidency. This is the first time that the two elections have been held on the same day. It’s the fifth direct presidential election in Taiwan’s history. Voters in the election will cast three ballots or mark a ballot three different times. They will -- one vote for president, one vote for a legislator in a geographic district, and then one vote for the party that they prefer. And based on that last vote by proportion parties will be allocated more seats in the legislature.

Taiwan has major parties, minor parties, and really minor parties. The major parties are the Kuomintang, the KMT or the Nationalist Party, which in various guises ruled Taiwan from the end of World War II to 2000. The second major party is the Democratic Progressive Party, the Minjindang or DPP. It controlled the presidency and the executive branch from 2000 to 2008. And then the People First Party is one of the minor parties. Taiwan Solidarity Union is the other.

Like the United States, which talks about red states and blue states, Taiwan has political colors, too. They have blues, which overlap a lot with the Kuomintang and the People First Party. And then it has greens, which overlap with the DPP and the Taiwan Solidarity Union. But the Taiwan people are more sophisticated than we are. They have shades of colors as well. So they talk about deep-blue people, light blue, light green, and deep green. And you’ll find out more in the course of the afternoon what these mean.

The three people running for president are the incumbent, Ma Ying-jeou, who is the leader of the Kuomintang; second is Dr. Tsai Ing-wen, who is the chairperson of the Democratic Progressive Party; and then James Soong, who is the head of the People First Party. And recently they have had a couple of debates among the candidates, and there’ll be another one Saturday afternoon.

So let me start with Shelley and ask first, to what extent are China-Taiwan relations the driving issue in these elections?

SHELLEY RIGGER: It’s always really difficult to disentangle cross-Strait relations of the Taiwan-China relationship from everything else in Taiwan politics because
that particular bilateral relationship just seems to permeate everything in Taiwan politics and the Taiwan economy and people’s social life and family life and everything else. That said, though, I think in this electoral year, the cross-Strait issue itself is not maybe as much of an issue as it has been in the past in part because cross-Strait relations have been very smooth during Ma’s first term of office, which makes it a little -- first of all, it just kind of deescalates or deemphasizes the issue to begin with, but then also the particulars of cross-Strait relations have not been terribly controversial.

At the same time, though, there is this kind of looming anxiety about the future and about the future of Taiwan’s relationship with the mainland that does have a huge impact on the election. So it’s not so much a debate about the details of policies—should we do this or should we do that—it’s more a debate about who can handle this for us going forward. Who do we have confidence in? And so what you find is that Ma’s -- if you ask -- when surveys are done about the various kinds of components of Ma’s policies, his policies do better than the candidate himself. So it’s not so much that people don’t like what he’s doing that has him in a tight race with Tsai, as a sense that people are not entirely confident in his leadership.

DR. BUSH: So if cross-Strait relations isn’t the key issue, what is?

DR. RIGGER: Well, I think the biggest issue that people are talking about explicitly is economics, both Taiwan’s short-term economic situation and its long-term economic future. And again, the specifics are pretty vague. I think Szu-chien can probably elaborate more on some of the details of the policy variation across the two parties, but it’s less about this is what the DPP will do, this is what the KMT will do and more: the DPP’s strategy is to raise questions about the economy and about the KMT’s ability to secure for Taiwan a forward path that will continue the kind of really outstanding economic performance Taiwan has enjoyed for the last few decades. So I think the economy is the key issue. But again, it’s very hard to separate that from cross-Strait relations because Taiwan’s economy is so deeply entwined in the mainland.

DR. BUSH: Given that and given the fact that Taiwan’s economy grew pretty well last year—10 percent, would that we had that kind of growth—the DPP must have done a pretty good job in pushing these other issues to the top of the agenda.

DR. RIGGER: Well, I think in this case Taiwan is kind of reaching a point that political parties and political leaders throughout the developed industrialized world are reaching or will reach very soon. Sometimes I look at Taiwan and I just think President Obama and President Ma were separated at birth or shortly before that. They have –

DR. BUSH: But where were they born?

[Laughter]

DR. RIGGER: Right. Their fates just seem so linked. So, of course, President
Obama would love to be able to boast of 10 percent economic growth in 2010. But even if he could, I think he would be facing the same answer that Ma Ying-jeou is facing from his people, which is: “we don’t feel it.” It’s not coming down. And I think that -- the reason I say that I think this is a wall that leaders around the developed world are going to hit is that I think you can see that message in Europe, you can see it in the Middle East, you can see it in other parts of Asia that the sort of contract of globalization isn’t working out for middle- and working-class people the way they had expected. And I think in Taiwan it’s been very explicitly captured in this idea: we don’t feel it. So you can make aggregate economic growth happen, but if it doesn’t trickle down into my pocket—and more importantly if it doesn’t create opportunities that I can see concretely for the future—then I’m not going to reward you for that aggregate economic growth.

DR. BUSH: Taiwan and China concluded last year an Economic Cooperation Framework Agreement, which was the foundation for basically a free trade arrangement. It sounds from what you say like the benefits of that have not been equally distributed in Taiwan.

DR. RIGGER: Well, the benefits of the ECFA, this agreement, are clearly trending toward Taiwan overall. The PRC made a lot of concessions in ECFA in order to give Taiwan reasons to be happy and to be valuing cross-Strait relations and particularly Ma’s policy. But I think what happens is those benefits seem, again, to accrue to investors, entrepreneurs, and to the very people who are most likely to take employment out of Taiwan into the mainland. And that’s not entirely a fair criticism because Taiwanese investment in Mainland China does create a lot of economic activity in Taiwan. But I think a lot of voters kind of discount that and instead will point to the kind of secondary effect—say, rising housing prices Taipei—and that’s a huge problem for middle- and working-class Taiwanese. There wouldn’t be a housing bubble in Taipei if there weren’t money. But if it’s not my money, then I just see the introduction of this wealth into Taiwan as a problem for me, not a benefit.

DR. BUSH: Okay. For the people standing in the back, there are some seats up in the front. You’re welcome to come up here.

Let me ask you a couple of specifically political questions. Three and a half years ago at this time, at least in some corners the DPP had been basically consigned to the graveyard, but they’re doing really well at least in the presidential race. How did they do it? How did they rebound?

DR. RIGGER: That is an excellent question, and I know lots of politicians around the world would love to have a glass of whatever it was they were drinking back in 2008 that got their mojo back so quickly. The mojo restoration is an extraordinary thing. I think first of all one thing that has helped the DPP a lot is just disillusionment with Ma. I think the expectations that Taiwanese voters had for President Ma were incredibly high. He got 58 percent of the vote back in 2008. People were just very excited to have the opportunity to vote for him, and they thought he was going to do great things. He just hasn’t. It’s not so
much that he hasn’t delivered on certain of his promises, certainly not on the economy—but what world leader has delivered on his economic promises in the last three years? But I think as a leader, the expectation was that he would be more charismatic, more inspiring, and he has been a very kind of inward-looking and aloof kind of president. So there was -- very soon after he was elected, his approval ratings really started to go down because I think people had such high expectations that were not met, and the DPP just kind of moved into that territory.

I also think something that has helped the DPP is the perception that Taiwanese people have that in a democracy — and they are invested in having a functioning democratic system — you need a multiparty environment. I remember very soon into Ma’s term talking to a Taiwanese American whom I had not met before. And she asked me, what’s your interest in Taiwan? And I said I had written a book about the DPP, and she said, “Oh, I just hope they get it together soon.” And the logic was because we need them. So the DPP had that going for them, and then they took advantage of kind of individual problems in the KMT: pockets of corruption, people who got kicked out of the legislature. They picked up those seats and all of a sudden it began to feel like they had some momentum again.

So I think the DPP has really revived remarkably well, and that is in some ways I think problematic because I don’t think — and again, Szu-chien may disagree with me — that the DPP has really dealt with the problems that caused its downfall in 2008. In a way this recovery was too quick, so it’s the same people back again. And I think that’s makes in particular Beijing very uncomfortable.

DR. BUSH: Okay. Finally for you, what’s going on with James Soong? He’s known as a deep-blue politician, but he seems to be drawing votes from the middle of the political spectrum.

DR. RIGGER: First of all I think there is a protest vote out there against Ma. There are people who want to indicate to Ma Ying-jeou, “we’re not satisfied with your performance.” They don’t necessarily want him to lose, mind you, but they want to send the message, you know, “you’ve disappointed us.” So given the choice between Tsai and Soong, some of them are going to say, “I’m going to vote for Soong because that’s safer. I don’t want Tsai to win, but I want to be able to vote against Ma to send him this message.” So I think that’s part of it. And then I think Soong’s participation in the election in the first place—I’m actually persuaded by Szu-chien’s colleague, Nathan Batto—that what that’s all about is the legislative election, which I hope we’ll get to talk to later.

DR. BUSH: Okay. Let’s turn now to cross-Strait relations more specifically, and I’m going to turn to Szu-chien. Szu-chien, please lay out for us President Ma’s basic positions on cross-Strait relations.

SZU-CHIEN HSU: Thank you. I think that the most important position of President Ma’s on cross-Strait relations is that he insists on the, so to speak, ‘92 Consensus. And this is also the foundation upon which Mainland China or the government in Beijing now agrees that both sides have a political foundation to have different kinds of agreements
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across the Strait in the past few years, and this is also the principle that the government in
Beijing challenges Tsai Ing-wen for not having.

So the ’92 Consensus is the most important one, and there are other two that I
would like to emphasize. The first is the three no’s. They are the famous three no’s that Ma
favors a lot, that is no unification, no independence, and no armed conflict across the Strait.
There is another two no’s that have been paid less attention to, that is no mutual recognition
of each other’s claim on sovereignty, and no mutual denial of each other’s claim on
governing authority. I think these three things together can represent Ma’s basic position on
cross-Strait relations.

DR. BUSH: Okay, thank you. Let me go a little bit deeper. President Ma has
pledged over and over again that he’s not going to discuss unification of Taiwan and China
during his term, whether it’s this term or a possible next term. At the same time he has said
that he might consider negotiating a peace accord with Beijing sometime—well, that Taiwan
might consider it sometime in the next decade, which would include the four years of a
second term. Is this inconsistent and contradictory?

DR. HSU: For some people these two things may contradict with each other,
but let us take a look at what Ma himself says. When he was presenting his “golden 10-year”
platform for his campaign this time, he also released -- actually it was not the first time he
mentioned about this, but that he intentionally mentioned again that he may consider striking
a peace agreement with Beijing in the next term. But then when he was severely questioned
whether this is something he is going to realize in the coming four years if he is elected, he
set some preconditions for this peace agreement. Basically there are three basic
preconditions. The first is that if the nation needs such an agreement. He didn’t say what
determines when the nation would have that need, but that was the first precondition. The
second is that if the public opinion supports it, and he didn’t mention about mechanism
either. And the third precondition is that it must be under the supervision of the Legislative
Yuan. That is our parliament. So these are the three important preconditions under which he
is willing to consider that agreement.

And later he also revealed that -- he also added that such an agreement has to
go through referendum. And then it became very controversial, but he didn’t take that back.
So it’s still there. So basically he -- and later he also says -- he also mentioned that given the
situation right now, it may not be very likely that in his coming term such an agreement
could be realized. But definitely he says a responsible politician of Taiwan should prepare
the country for considering that possibility. I think that is his basic policy.

DR. BUSH: So based on everything he said and based on your understanding
of mainland policy, do you think this is going to be high on the agenda if he wins a second
term?

DR. HSU: Okay, my take is that if we seriously consider the possibilities for
him—not for Beijing, but for Ma himself—I think if he’s really serious about that, then it
could be very troublesome for his politics, for KMT’s politics, because all of these preconditions need mechanisms to realize. Then consider who would be in a position to consider whether the country, the nation, has such a need. The most important thing is the second, that the public opinion supports it. Through what mechanisms? And he also mentioned referendum. So, referendum about what? About whether we are going to have such an agreement, or about the content of the agreement, or about the procedure of the agreement? When is that referendum going to take place? Before the Legislative Yuan agrees to it or after? So all of these questions are very politically controversial. And if Ma does not have full control of the whole political agenda, I think he would be inviting trouble by doing all these things. And also this is Ma’s second term, so he will not run for the president again if he’s elected. So it would also be to the concern of the coming leaders of KMT, whether that would be a good idea to go ahead with an agenda, a troublesome agenda, like that. So if you put me in the position to answer this question, I will say politically speaking, it would be not very likely.

DR. BUSH: Okay. Let’s turn to the DPP, and Dr. Tsai. What are her basic positions on cross-Strait relations?

DR. HSU: First of all, the DPP’s position on the sovereignty issue is that Taiwan has its own independent sovereignty, and its current national title is Republic of China. And like Chen Shui-bian, if Tsai is elected she will also pledge her loyalty to the current Constitution and to this nation which carries the national title of Republic of China. So that’s the first thing.

And the second thing is that she has -- when the think tank of DPP was established, she gave a talk. That I think less people pay attention to. She has these two paragraphs that were severely criticized by some pro-blue press, but I think it sets a very good tone for her. That is, he er qiu tong, he er bu tong, it means that peace with common responsibility, common responsibility with Mainland China, and peace despite the remaining differences, also with Beijing. What she meant by “peace with common responsibility” is that both Taiwan and Mainland China share the responsibility of keeping the prosperity and stability of the region. And, of course, we know what she meant by peace despite the remaining differences, differences over sovereignty and other political issues across the Strait.

So I think that was the -- during the campaign era, that was the first statement she made regarding cross-Strait relations. Several things are more famous, that is the “Taiwan Consensus.” When she was questioned, she said it’s more about procedure. That is, any agreement with Mainland China should have the consensus within Taiwan through a democratic procedure. So that is what she meant by Taiwan Consensus.

And she also mentioned that in her 10-year platform for Taiwan, there was a chapter on cross-Strait economic relations. And the philosophy in that chapter is to approach China’s market or to engage with China’s economy through strengthening Taiwan’s global economic ties. So she’s not saying that we will not engage China. By the way, she also says
ECFA will be still effective if she’s elected. So I think that’s her basic policy position on the cross-Strait economic relations.

And lastly, recently, more recently, she also mentioned that she will be open to the alternatives. I remember in the talk she gave at Harvard she talked about this, that the DPP—that’s the Democratic Party—once it is elected to power, it has to listen to the opinion within Taiwan. And as a governing party, it is open -- as a democratic party in a democratic regime, it is open to all possible policy alternatives. So I think these are the basic positions I summarize for Tsai.

DR. BUSH: Okay. Now she has said that she doesn’t exclude the possibility of some kind of talks with Beijing. In fact, she has said that in the four months between the presidential election and the inauguration, she would hope to work something out during that period. What message -- she also said she would form a cross-party committee to study this issue. What is she trying to convey here? What message is she trying to send?

DR. HSU: Of course, cross-Strait relations is said to be her weak point and also has been severely challenged by KMT during this campaign. So I think what Tsai is trying to do is to pacify those voters in the middle and try to give the public an opinion, an impression, that she’s flexible on these things. The point that she brought up with on forming a cross-Strait committee, I think she’s trying to say -- and also she mentioned that the current campaign team may not be the cabinet team once she’s elected, so people are wondering what she’s talking about. My reading—I don’t know if I’m correct—my reading is that she is trying to say that she will be more inclusive in terms of policy once she’s elected, which means she may now in the campaign she needs—she said I will bring this up—she will need votes from both the light green or the middle voters as well as from dark green. So there are certain things she cannot say very directly during the campaign because she needs the support from both sides. So I think she’s implying that she will move to the middle once she’s elected. I think that’s the message. But, of course, she has also been criticized to be wishful thinking for having a political talk with Beijing because to make that happen, it also needs Beijing’s consent on that. And usually people will have reasonable doubt on the possibility of that. But at least she’s expressing her willingness to communicate with Beijing.

DR. BUSH: Okay. Shelley, I’d like to come back to you and first invite you, if you want, to comment on anything that Szu-chien has said and then give a fearless forecast as to—not on the result of the election, but how will Beijing react if Ma Ying-jeou wins, and how will Beijing react if Dr. Tsai wins?

DR. RIGGER: The reaction that I would give to what Szu-chien is saying is that I think the concerns that you’re pointing to about the feasibility of Tsai’s policies resonate with what we’re hearing from Beijing. I was in Shanghai last weekend meeting with some scholars and officials there, and the message was crystal clear for this audience. They do not want to see Tsai Ing-wen elected. And the focus of their anxiety is her unwillingness to date to endorse or embrace the ’92 Consensus. So now, obviously, I think you’re right that things can change after the election.
And it was very interesting to see the different ways that Tsai was characterized in those conversations, the sort of mainstream, hard-line view. The most public view was Tsai Ing-wen is actually worse than Chen Shui-bian because Chen Shui-bian was an opportunist and Tsai Ing-wen is an ideologue. But there was another, maybe a bit more private, characterization which was that Tsai Ing-wen is an economist so understands the importance of ECFA, for example, so will not openly criticize or attack ECFA. She is a lawyer, and she is a negotiator. And I think negotiator is the one that we actually have some hope for so there is at least the possibility that if she were to move in a more congenial direction after the election, there is an open door for that. But the people I talked to were adamant that it has to be the ’92 Consensus, that there is no sort of rephrasing that is acceptable. So I think that’s going to be a real sticking point if Tsai wins.

And I don’t think that the -- I think the PRC is actually trying not to back itself into a corner on this. They know that the possibility exists that she may be elected, but I think they are going to put pressure on the U.S. to keep this situation under control if she does. And they were very explicit in threatening various kinds of repercussions for Taiwan if she is elected. And if she doesn’t turn around and say “well, maybe this ’92 Consensus thing is okay after all,” which they don’t have high hopes for because they view her as the architect of the Lee Teng-hui’s two-states theory. And also they believe, or at least the people I talked to wanted me to think they believe, that when Chen Shui-bian brought out the possibility of looking again at the ’92 Consensus, that it was Tsai among others who pulled him away from that just after 2000.

So among the repercussions that they mentioned specifically were that no further direct talks between the Strait Exchange Foundation and Association for Relations Across the Taiwan Strait, the two sort of quasi-official organizations that have been talking for the last three years, no further talks. Agreements already signed may not be able to be implemented, including ECFA. The economic assistance that Taiwan has been getting in terms of procurement missions from the mainland, that sort of thing, would be very hard to continue that. The international space that Taiwan has gotten, they said we put that string out; we can pull that string back. So they were really pounding the desk a bit about what will happen if Tsai doesn’t say ’92 Consensus pretty soon after her election.

The flip side for Ma? Everything is wonderful. Everything will continue just as it is. We have no desire to put pressure on him for political talks. Peace agreement, we can wait a really long time. A lot of Americans looking at this have said the deal was we’re going to do easy first. The easy economic topics we will negotiate first and then save the more difficult political topics for later. So the American response to that is how much more easy stuff have we got left before we have to go into the difficult? Our friends in China said we’ve got years of easy left. No problem.

So I think they are very much hoping that Ma will be reelected, not actually thinking—well, maybe they’re thinking very hard—they don’t want to talk about the limitations for what happens in a second Ma term. They want to kind of communicate that
that’s all wide open. But then on the other side, great portents of badness if the other outcome ensues.

DR. BUSH: Szu-chien, do you agree with Shelley on the PRC’s reaction if Tsai Ing-wen wins the presidency?

DR. HSU: Well, I am not saying that I don’t agree because her observation is a first-hand observation, but I also remember some of my first-hand observations many years ago. I think the Chinese government is very good at being realistic for their own foreign policies or cross-Strait relations policies and being ideationist for their enemy. That is to say, it’s always a policy that they categorize their opponent into some category and then treat them like that for the rest of the universe’ time. However, once the policy is implemented, there is always unexpected flexibility. That is the reality from Beijing’s politics. So that’s my take. So from that position, I cannot say I don’t agree with Shelley’s observation, but I also agree with my own.

DR. BUSH: Okay, we wouldn’t expect anything less.

DR. HSU: So that’s the first thing. Regarding Beijing’s attitude toward Ma, through the recent years we have also heard that Beijing has some dissatisfaction with President Ma, that he’s not delivering what they expect maybe politically, maybe other things. And also that “we have given you so much, but the hardliners inside are saying we’re not getting anything back.” And how come this kind of voice would disappear all of a sudden? I would expect that kind of voice will come back again once Ma is in a position. And I would say if that’s a pressure, the pressure will also mount more because they will consider Ma has no responsibility anymore for another reelection. So that would be my take for their attitude toward Ma I think.

DR. BUSH: Shelley, you correctly reminded us that there is the legislative election. What do you think is going to happen there? The Kuomintang currently controls it by a pretty wide margin. Is there any chance that the DPP could gain control itself?

DR. RIGGER: Actually, I think there’s a more interesting chance of that than I would have predicted even a few months ago. I mean, I think the races are pretty competitive in a lot of places, and then there are some safe seats for both parties. But there are some pretty competitive opportunities for the DPP and as usual in Taiwan, you have the local -- the district politics are pretty focused on those local candidates and personalities. And so the national issues are less of a factor, and that gives the DPP more opportunities.

So I think one thing that happened in 2008 -- if you look at the 2008 outcome, the KMT has about 70-plus percent of the seats in the legislature. And we know that the new electoral system, a majoritarian electoral system that was implemented and used for the first time in 2008, really hurt the DPP. But I don’t think that that was the only cause of the DPP’s defeat in 2008. So if you look at the distribution of votes within districts, the DPP really underperformed expectations in 2008. If it had simply been a partisan race and the partisan
voting had broken down consistent with past patterns, the DPP would have done better. I think this year, without the sort of albatross of Chen Shui-bian around the party, the DPP’s candidates in local races will get their core vote, and so they will win more seats.

And then there’s the potential for competitiveness just based on personalities, based on factionalism, the whole situation in Taichung is shifting which seems to have to do with factionalism in the KMT. One of the KMT factions is no longer happy in the KMT so they’re putting their support potentially behind the DPP. So there’s a lot going on. So there’s a lot more there than I think was really evident not so long ago.

And then the other thing that’s really interesting I think will be the Soong factor. First of all, the PFP, Soong’s party, is running candidates in some districts, and a handful of them might win. And then also, Soong’s presence in the presidential election creates a coattail effect not so much for his district candidates, but for his proportional list. So a voter who might say “I don’t want to throw in my vote on James Soong himself because he’s going to lose,” might say “but I do want to show my support for his party by voting for his party list.” So if it’s fairly close between the KMT and the DPP and Soong and the PFP pick up a few seats, it’s not inconceivable that no one would have a majority and I think that’s Soong’s objective perhaps is to be the king maker in the legislature between those two.

DR. BUSH: Do you have any comments on that?

DR. HSU: Basically I agree with what Shelley says. But regarding the KMT local faction issue, I think in several previous several times of local elections before this time, the KMT was losing—especially in the ’05 municipal election. In Taichung the outcome was out of their expectation I think. But I think at that time the local factions of KMT were making use of that opportunity to give a signal to Ma for their dissatisfaction of resource distribution and things like that. But I wonder if they would do the same thing this time because they have signaled their dissatisfaction already, and I think Ma also learned. But still recently the survey says the green and blue are almost equal in that region. So that is a supplementary observation.

DR. RIGGER: And having a huge legislative majority actually didn’t help Ma that much anyway. He had a terrible time getting his legislation through.

DR. HSU: That’s true, yeah.

DR. BUSH: So final question for you. We have 31 days to go. What should we all be looking at as the key variables to guess the outcome?

DR. RIGGER: My inclination is to say that when it comes down to the moment of choice, people will be nervous to vote for the sort of destabilizing. And I think despite the really astonishing progress the DPP has made in the last few years and the disappointing performance of Ma as a politician—maybe I’m just conservative because I’ve been looking at this for too long—but it seems to me –
DR. BUSH: Only everyday.

DR. RIGGER: – that the safe choice is still to go with Ma. So I would think that if it’s close at the end, that’s the way it would break. But I think it is way closer at both levels, legislative and presidential, than I ever would have predicted even a year ago much less three years ago.

DR. BUSH: Okay. Thank you very much. I’ve been asking all the questions, but I know we have a lot of very smart people in the audience and so it’s now your turn to ask the questions. When you ask, first of all please wait for the mic and then identify yourself. And if you have a choice as to who you want the question to go to, please specify that as well. I saw John Zang first.

QUESTION: John Zang with CTI TV of Taiwan. The question is actually for both panelists and for Richard, if you would. We have been discussing the elections in the context of cross-Strait relations. What about the U.S. factor? How would the United States react to the two different outcomes of the election given the U.S.-Taiwan relations in some very difficult times during President Chen’s presidency and relatively smooth developments under President Ma? So how would the United States react to that? We all know that the United States would not side with any candidate or any party as a general principle, but administration officials have also said that we do not choose any candidate, we do not choose any party, but we do prefer policies. So right now the United States -- we know Dr. Tsai was here in September. Right after her visit to Washington, someone at the White House told the Financial Times, it actually expressed anxiety about and the questioning of Tsai’s ability to continue the cross-Strait dialog that we see today. So how would the United States see the two candidates and two different election outcomes? Thank you.

DR. RIGGER: Well, I guess because I’m not a government official or anything, I can answer that question beyond the obvious which is, of course, that the U.S. doesn’t interfere in other people’s elections. And what we most desire—and I think this is genuinely true—what the U.S. government most desires is another free and fair election in Taiwan. However, I think it’s also true that the last three years in the Taiwan Strait have provided the U.S. with the opportunity to focus attention on other pressing issues, and that has not been an unwelcome development. So the possibility that the PRC might decide that it could no longer continue that pattern would be unfortunate from the U.S. point of view.

DR. BUSH: I’d only add -- well, first of all you state the U.S. position very well. I commend you. I couldn’t have done it better myself. But I would only add that it’s my guess, and it’s only a guess, that if Dr. Tsai won, the United States would not prejudge the situation. I mean, all that was being said in the Financial Times thing was anxieties, but anxieties can be corrected or allayed based on performance. And I think that we would want to see what she did rather than making a judgment in advance of that.

Jay Taylor, right up here. Wait for the mic. A very good writer by the way.
QUESTION: Thank you, Jay Taylor. My question is to the panel. Do you think there is any thought or consideration in Taiwan now that five, ten, 20 years from now in any negotiations with the mainland, Taiwan’s hand may be much weaker than it is today?

And secondly, I wonder why Beijing hasn’t made some sort of gesture to support Ma Ying-jeou’s chances.

DR. BUSH: Do you want to start?

DR. HSU: The second one, I think there are a lot of gestures from Beijing. This morning I was watching TV very early; I got up very early. I was watching the Fenghuang-Phoenix Channel, and the spokesman was talking about how much profits or benefits that the ECFA has brought to cross-Strait economic relations and also to Taiwan’s economic growth. Anyone who has a political ear can understand the meaning of that. And although I think the Phoenix Channel is not very well received in Taiwan’s audience, but I think the signal has been very clear.

Also, the DPP has criticized that a certain Chinese official was helping KMT and KMT came out to say “Oh, we don’t need the help, please,” and things like that. But, obviously, some things are going on.

DR. RIGGER: Yeah, I think that the Chinese Communist Party is in a really difficult position because they can do things that will hurt Ma’s chances, but they can do very little that will actually help his chances after a certain point, and that point is long past. So now I think they can remind the people of all the good things they have done already, but additional gestures would backfire.

So then the question becomes why have their gestures been limited in the ways that they have prior to that sort of critical point when the election was in high gear and they had to be more cautious? And I do think there is a debate within the Chinese leadership about how much to give because they don’t want to be taken advantage of. And so on the economics they can give up to no limit pretty much, but on political topics like Taiwan’s international space, there’s much more caution. And I think they missed maybe some opportunities to really help Ma in the last two or three years because they couldn’t quite pull the trigger on international space things.

And then on the military they’ve given nothing, and that is an important point for Ma. He also makes as one of his preconditions for certain kinds of progress in talks with the PRC that you’ve got to draw down the military threat. So I think in China you have different policy areas that are not really coordinated in a way that would show comprehensive good will to the Ma Administration, and that’s perceived in Taiwan for what it is.

DR. HSU: Can I respond to Mr. Zang’s question just short?
DR. BUSH: Sure, and then I’ll come back and answer Jay’s first question.

DR. HSU: Oh, I’m sorry.

DR. BUSH: No, go ahead.

DR. HSU: I’m not a specialist on the U.S. foreign policy, but as a citizen from Taiwan, I would hope that if Ms. Tsai is elected that the U.S. government can be encouraging to her willingness to communicate with Beijing and also to be instrumental if possible to have communication across the Strait because it’s not only for Tsai, it’s for the stability of the cross-Strait relations. That’s the only thing I want to say.

DR. BUSH: Jay, on your first question, I think that you’re right to point to the growing power gap between China and Taiwan in certain areas. And I’ve long thought that there are things that Taiwan should do or should continue to do to strengthen itself as a defense mechanism. Taiwan has learned a lot from Japan, and one thing it can learn is jujitsu, using your weakness to cope with the strength of your adversary. And I think that Taiwan’s - - the best way to do that is through the fact that Taiwan’s a democratic system, and that any major or fundamental changes in Taiwan’s sense of itself, its legal identity, probably has to be done through a Constitutional amendment and as you know, that’s really hard. You need a really broad social consensus. So anybody who’s across the negotiating table from the Chinese say “Got to have three-fourths of the legislature, sorry. You make me an offer that makes me think I can get that, then we’ll talk. But until then, there’s nothing to talk about.”

Gerrit van der Wees.

QUESTION: My name is Gerrit van der Wees, editor of Taiwan Communiqué. I’d like to question the smoothness in cross-Strait relations that is being discussed. For my feeling, that’s quite artificial. I think Beijing is only friendly to Taiwan because it feels Taiwan is moving in this direction under Ma and that in due time it can absorb Taiwan. And all of this has happened at the expense of basic freedoms and democracy in Taiwan. Shelley, I think, does show that Beijing is rather unwilling to accept Taiwan for what it is: a vibrant democracy. So my question to you is, how can the U.S. perhaps be more helpful in leaning on China to make it a more responsible stakeholder so that it does accept a democracy right on its doorstep?

DR. RIGGER: I’m sure you have some strategy for that.

DR. BUSH: Well, basically, to reiterate what I just said, and that is that China in its dealings with Taiwan needs to be cognizant that its actions directly and indirectly do affect public opinion. And selling fruit to farmers in southern Taiwan may have a positive impact on them, but if there’s a lot of mainland money sloshing around the urban areas, that has an impact, too, in terms of real estate prices and so on. And in the long run, China is going to sort of achieve its goals only by sort of accommodating itself to the basic desires...
and feelings of the Taiwan public.

QUESTION: Pending the rest of –

DR. BUSH: Well, I think that we as a democratic country can remind China that that dynamic is going on and point out ways in which China’s actions can be counterproductive in terms of Beijing’s sort of stated goals, which is to win the hearts and minds of Taiwan people.

DR. RIGGER: I would also point out that I think there are things that Taiwan could do to better leverage its status as a democracy, both in relation to the PRC and in relation to the world more generally. It is a quality of the Taiwan intellectual community that I very much admire—especially as a citizen of a country where I think we are insufficiently introspective and self-critical—that Taiwanese intellectuals and Taiwanese citizens in general tend to be very introspective and very critical of their own institutions, their own leaders, their own political process, and so on.

But I think given the importance of democracy and democratization as a sort of soft power asset for Taiwan, it is important that Taiwanese not replace or not allow their sort of internal discussion about how to improve and perfect their democracy to turn into what looks a lot of times on the outside like giving up on democracy altogether. I mean, the Taiwanese are so much more critical of their democratic system, of their politicians, or their political process than they are celebratory that I think they have to some extent eroded their own reputation in the U.S. So, for example, constantly emphasizing problematic developments in the legal system or with the press; yes there are certainly problems, but if all you ever do is call attention to the ways in which Taiwan’s democracy is imperfect, eventually people in the United States are going to start to say, “Then why are we throwing so much resources behind preserving your democracy if you don’t even like it?” So I would encourage the Taiwanese themselves to sort of sit back and think about how much progress has been made since 1983 and remember to celebrate that and to use that as an asset of soft power, not as a kind of political football in other countries’ capitals.

DR. BUSH: Alan Romberg, and then I’ll come over here, and then back to Tom. Alan, right there, right there.

QUESTION: Thank you. Alan Romberg, Stimson Center. Thank you to both panelists and Richard as well for a very enlightening session. As a premise I have to say, though, I’ve heard nothing despite all the references to reaching out to flexibility to moving to the middle, which leads me to believe either that Tsai Ing-wen is going to move to accept one-China in the PRC sense of it—whether called the ‘92 Consensus or something else—or that the PRC is going to back away from its position that if she doesn’t if she’s elected, that there won’t be the badness that Shelley talked about.

So my question in a way may disagree a little bit with one of Shelley’s points, but it goes to Richard’s what to watch for. It’s very evident that in the last several weeks,
including in the last 24 hours, the PRC is trying to get across to voters in Taiwan that they mean it when they say that if there is not acceptance of the '92 Consensus as to the way they’re talking about it, that there will be consequences. So my question is, is this likely—this greater clarity, this greater volume—is that likely to play a role in the next month in a way that this issue comes up in the election?

DR. RIGGER: I mean I would throw that one directly to Szu-chien because the question is what gets through the Taiwan media to people? So what are you hearing?

DR. HSU: I think the more clear the voice is, the more counterproductive it will be in Taiwan’s election. We have learned these lessons before. It’s not that we don’t believe them, but the average voters in Taiwan would think that to be not friendly. So I have to say the average voters in Taiwan are not that politically sophisticated, if you will, in terms of international implications of that. They have direct reaction to an unfriendly gesture. That is what’s going on in Taiwan’s everyday politics. I understand that Beijing is being very serious. I understand that. I can read that. And I’m not saying that they will be that flexible, but if you need me to answer that question, I will say it could be very counterproductive. That’s exactly the reason why Ma’s Administration is saying please stop there, don’t help us. There is a reason.

DR. BUSH: Mike Fonte, right there.

QUESTION: Mike Fonte. I’m the Washington liaison for the Democratic Progressive Party. Thanks to all of you for an interesting and informative conversation. Shelley, I think to your list of why the DPP has come back, you have to make at least one of the highest ones Dr. Tsai’s leadership. It is not the same people. And I mean that’s the key, I think, to the change in the DPP is that the older generation hasn’t quite left the stage, that’s true, but I think her leadership has encouraged and massaged the younger generation to come forward. And I think she’s seen as a very different, obviously, type of leader by the general public as well as the party.

On the peace accord question: I know there are a number of questions that I’m sure we could explore if we had time, but one of the problems from the DPP’s point of view or from the people of Taiwan’s point of view is who’s the peace accord between? Is this an end to a civil war, which is between two parties and, therefore, we go back to being one country, kind of like the U.S. Civil War? Or is it between two nations and, therefore, it’s two sovereign entities? Those are big questions, and I think those encapsulate some of the problems with President Ma saying we’re going to do a peace accord. Well, wait a minute. What exactly do you mean?

And I guess my final point—and I’d love to hear some conversation about this—we have heard much about the ’92 Consensus and the need for Tsai to come to some accommodation somehow with “one-China.” I would remind everybody that is not U.S. policy, right? U.S. policy has been very careful in the Shanghai Communiqué and all our communiqués that it’s the Chinese position that there’s one China. But we only acknowledge
that position; we don’t recognize that position. It’s up to the people on both sides to come peacefully and mutually to an agreement on that. And I think that’s where, if you’ll excuse my -- I’m obviously a little prejudiced here, but it seems to me that’s where the DPP’s position or Dr. Tsai’s position holds water. All options have to be open for the people of Taiwan. It’s a democracy. And I think that fits in my opinion more comfortably with U.S. policy than saying there’s a one-China umbrella and Taiwan is definitely part of that, which is it seems to me President Ma’s position. Thank you.

DR. BUSH: Any comments?

DR. RIGGER: Yes. First of all, you’re absolutely right on your first point that I should include Dr. Tsai’s leadership as a factor in the DPP’s recovery.

I think your third point really gets at the heart of why the ’92 Consensus is, in fact, so problematic because the ’92 Consensus is regarded by what we might call sensible people everywhere as a useful way to finesse a problem that can’t really be resolved. And yes, indeed, doing things that way just defers problems into the future, leaves fundamental elements of the process undefined and unresolved, and is not really any kind of a solution at all. So that what candidate Tsai and her party are saying is, we need to figure this out. We need a consensus within Taiwan. We need to resolve for ourselves how we want to approach the resolution of this longstanding problem or issue in or unresolved matter in history.

Meanwhile the other sides of the -- all the other people sitting around that same table are saying “Ah, do we really have to? Can’t we just keep limping along the way we have been?” So I think it’s fair to point out that the ’92 Consensus is not a solution; it’s just a kind of convenience to keep things rolling a little bit longer while we look for a solution. But I think the alternative to keeping things rolling a little bit longer while we look for a solution is always going to be scary to policymakers in the U.S. and the PRC, if not in Taiwan.

DR. BUSH: Do you have any comments?

DR. HSU: Just a short comment on that. It is, indeed, a big question if the cross-Strait peace accord or agreement is going to be brought up because like President Ma says, it has to go through referendum, right? And please keep in mind how difficult it is for a referendum to pass in Taiwan. According to our referendum law, it’s almost impossible. And if you bring it up, and it is defeated in the referendum, what does that mean? That also has very serious political implications. So that is the reason why I say it is very, very unlikely that any politician could bring that up in their own term.

DR. BUSH: Tom Reckford, and then we’ll go across the aisle.

QUESTION: Thank you. Tom Reckford with the World Affairs Council of Washington. If Dr. Tsai wins the presidency and the Kuomintang as expected wins the legislature, how will she be constrained in her dealings with the mainland?
DR. HSU: Do you want me to answer that question first?

DR. BUSH: Whoever wants to.

DR. HSU: Of course, we will have a divided government and according to past experience, it is very painful for anyone and also for the citizens. And given the past experience, I think Dr. Tsai could be more—how should I put it—accommodating in her policy, at least for domestic political purposes because that deadlock is not only for cross-Strait policies, it is for every policy. So I will say realistically speaking, she probably would have to be more accommodating. So the major constraint will come from domestic politics instead of from across the Strait.

DR. RIGGER: Can I ask him a follow-up question?

DR. BUSH: Please.

DR. RIGGER: Do you think both parties learned from the previous experience with divided government, that kind of gridlock was unhelpful, or do you think they didn’t get that?

DR. HSU: DPP has to learn because once it wins the presidential position it has to rule in terms of an administration and a branch. But the KMT would still be the one giving the DPP trouble. So maybe –

DR. RIGGER: Not so much?

DR. HSU: I don’t know. Well, at least the DPP would have more incentive to work.

DR. BUSH: Tom, I would say that however much a KMT-dominated legislature constrains Dr. Tsai, it won’t be as much as the United States Senate has constrained successive U.S. presidents. Right here.

QUESTION: Well, since Tom took my question, I just want to make the statement that I’ve been -- I went to Taiwan for the first time in 1968. I saw a country that had martial law, and the progress that Taiwan has made since 1968 is tremendous. But the last day I was at another think tank, and I’m looking for the football called Taiwan because it was going back and forth. But do you think that once the election is over with that the politicians in Taiwan will really get together and say “Look, we want Taiwan to continue, and we have to have some consensus amongst ourselves. That if Taiwan is to continue like this, we can’t be going KMT does this or the DPP does that.” It’s Taiwan that needs to survive.

DR. RIGGER: I hope so, but we’ve been looking for this for a long time now
and been disappointed. There is incredible suspicion and, in my view, misrepresentation of positions actually ironically and precisely because there is a consensus about Taiwan and Taiwan. Taiwanese people all want basically the same thing, which is to be left alone the way things are now.

So how do you differentiate political parties in that kind of opinion environment? Well, you say the other guy wants to change that. So if you’re on the green side, you say the blues want to sell Taiwan to the mainland, and if you’re on the blue side, you say the greens are crazy and they’re going to bring down the wrath of God on us. And this is kind of how politics goes. I think it is not actually a consequence of radical differences of opinion, tearing the electorate apart. In fact, it’s a consequence of having a preference that is extremely hard to manage, trying to choose a course through this narrow, narrow, narrow opening. That if you steer a little too far in any direction, you wreck the ship. So fighting over the helm in that situation is almost more vehement than it would be if it was an open ocean that we were sailing across and it kind of didn’t matter what we did.

DR. BUSH: You’ve written that the long-term prognosis for Taiwan politics is that more pragmatic attitudes are going to come to the fore as older people die off. Does that give more reason for hope?

DR. RIGGER: I think so. I mean I think a lot of that sort of bitterness and antipathy is related to the fact that there is a generation of politicians -- and Mike is right that this generation is aging out of active political participation, but they have been very influential for a long time for whom these things are totally personal and who have in their own lives, whatever positions they may hold today, have, in fact, had extreme positions. There are people who were fervent believers in unification, and there are people who have been fervent believers in formal juridical independence for Taiwan, and they recognize one another. Even when they change their own views and become more moderate, two things are going on inside. One is a kind of reluctance and regret. So I say to people our age, our peers, “Don’t you think that like sooner or later you’re going to have to accept some kind of -- you know, maybe it’ll be really loose, maybe you keep all your autonomy.” And the response is “Ah, yes, but I don’t want to think about that.” So it’s a reluctant, a very reluctant acceptance of this changing reality, and also people don’t recognize that the guys on the other side have changed. So my enemy still looks hunkered down in his extreme position –

DR. BUSH: Don’t point at him.

[Laughter.]

DR. HSU: No, I agree with her.

DR. RIGGER: Sorry, I was actually pointing at the elevator over there. My enemy is still hunkered down, but I am reluctantly moving toward the center. And this makes for a much more conflictual political elite and process than is actually true of the electorate.
QUESTION: But do you think that the changing leadership in China -- how do they look at it?

DR. RIGGER: They think they got it in the tractor beam, and it is drawing toward the mother ship. And as long as they believe that, I think we’re okay.

DR. BUSH: Whether it’s true or not. Okay, we’ll go back there, and then we’ll come back to Bob Sutter.

QUESTION: Ping Liu of *China Times*, Taiwan. Thank you for the comprehensive discussion. Dr. Tsai Ing-wen denies the ’92 Consensus. Instead she proposed a Taiwan Consensus. Could the panelists help us to understand what the Taiwan Consensus is because from my point of view when you deal with bilateral relations, but based on unilateral internal consensus, it is not realistic? According to Taiwan Consensus, the U.S. government should resume diplomatic relations with Taiwan. Thank you.

DR. BUSH: Want to start?

DR. HSU: I don’t know if Tsai wants to replace the ’92 Consensus with the Taiwan Consensus, but I think what Dr. Tsai means is that the Taiwan Consensus is the foundation upon which any consensus could be reached across the Strait. And I think she has been very clear, whether you agree with it or not, that the Taiwan Consensus means any consensus across the Strait should be -- I mean, a consensus should be reached democratically through a democratic procedure within Taiwan if any consensus should be reached across the Strait. But does she -- I agree with you that she has not mentioned any concrete policy content upon which a consensus could be reached across the Strait. She has not -- so far she has not been able to do that. But I think -- I would say if she agrees with the Constitution, the ROC Constitution itself, that could be a political foundation upon which any interpretation of one-China can generate because President Ma himself says when he is talking about one-China, it means the ROC Constitution. Is that right? So if Dr. Tsai also pledges her loyalty to the ROC Constitution, she has the same foundation as President Ma. And if Beijing can agree with that as a possibility of building something, then it could be constructive. That is my own interpretation.

DR. BUSH: I think anytime a national leader is negotiating with another, he or she is in a stronger position if he or she knows that there’s a unified public opinion behind that position because practically speaking, you can guarantee that whatever is agreed to is probably going to be approved if it’s consistent with that consensus. But as Szu-chien says, there are big questions about how you arrive at a Taiwan Consensus. What process do you go through to reach it? What is its -- how broad does it have to be to be effective? And so on and so on; lots of unanswered questions. Bob, up here, please.

QUESTION: Thanks very much. Bob Sutter, George Washington University. My question is about the Chinese leaders. We’ve been discussing it a little bit here, and I just wanted to add to this and to question on this line. In the past three years, we’ve seen what
mainstream view calls fractured authority in Chinese foreign relations. We’ve seen and the result is tougher policies from time to time on a whole range of sensitive issues. Taiwan’s been the exception to this. Taiwan hasn’t been subjected to this fractured authority and toughening. Hu Jintao apparently has been able to control this policy better than he’s been able to control other policies in Chinese foreign affairs. But in recent months we’ve seen a couple of developments that have made a number of observers concerned. We’ve seen the U.S. pivot to Asia. Senior Chinese leaders are losing face in major international meetings where the United States is seen as the culprit. And if we -- in this context, if we have a Tsai Ing-wen victory, can we expect to see fractured authority dealing with the Taiwan issue in China as well where those who advocate a toughening of the policy will have more grounds to make their case?

DR. BUSH: Szu-chien.

DR. HSU: Actually in preparing my questions, I had a similar expectation because if Tsai wins the election, that will be early next year and the 18th Party Congress will convene in September, in the fall. It will be more than half a year in between. Originally, if President Ma is reelected again, that more than half a year is called the window of opportunity of striking some kind of agreement. But if Tsai is elected, then it is a window of something else. So my position is that we have to be prepared for that. Intentionally or not intentionally, it is difficult to expect that there’s no consequence as said. But what kind of consequences they will be is difficult to expect, so I think we should be prepared for that. And as I said previously, we should encourage the situation to be more peaceful, right? So we should make use of whatever arguments presented by Dr. Tsai about reaching out. We should encourage that, and we should help that to take place no matter if she means it or not. Not only the U.S. government, but international communities should facilitate that possibility to take place. It’s not only for Taiwan, it’s also for Mainland China because it’s for cross-Strait relations, it’s for the 18th Party Congress to take place more smoothly, not to have another problem. We Taiwanese citizens, we don’t want to be troublemakers again, but it’s our right to pick out our own leaders. So I think we should work together to prevent any bad scenario to take place. That’s my position. Thank you.

DR. BUSH: I’ll take a pass. Okay, anybody else? John, we’ll give you another shot.

QUESTION: John Zang again. Thank you so much for another opportunity. Well, given the general context of the United States rebalancing its forces in East Asia, would a Dr. Tsai victory, which presumably would probably cause some new tension across the Taiwan Strait, actually give the United States another reason to move to the east? It’s another good reason for the United States to probably move more forces to the east to rebalance its position in East Asia. If this is true, would the United States actually welcome, even though without voicing it, a Tsai victory? Thank you.

DR. RIGGER: I think that it would be incredibly problematic and troublesome for the U.S. to be perceived as moving or upgrading its military presence in that region...
because of a Taiwan factor. This is actually something that Chinese scholars and officials are asking. What is Taiwan’s role in this pivot to Asia? And the answer must be sincerely nothing, that this is nothing about Taiwan because for the PRC one other sensitivity that we haven’t actually talked about at all today is the sensitivity to U.S. interference in a matter that they consider to be the internal affairs of China and all that stuff. And it’s one thing for the U.S. to sort of continue along the well-trodden tracks that we have carved out over the last 30 years even to the point of continuing arms sales. As much as the PRC government reacts negatively to every iteration of arms sales, that’s part of this well-trodden track, but if we appear to be upgrading the military dimension of our Asia strategy in response to factors on Taiwan, this will be I think a huge source of added tension in U.S.-China relations.

DR. BUSH: Thank you. We’re going to have to close because Szu-chien has to get into a cab to go to Dulles, and we wish him safe travels. If you feel like it, on the early morning of Saturday, January 14, you will be able to go to the website of the Central Election Commission in Taiwan and watch the votes being counted. And furthermore, once the result is actually clear, you will know exactly why it happened that way thanks to our two panelists. Please join me in thanking them.

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