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TAIWAN'S 2016 ELECTION AND PROSPECTS FOR THE TSAI ADMINISTRATION
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Welcome:

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The Brookings Institution

Panel 1: Taiwan's Domestic Prognosis:

Moderator:

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Stephen A. Cozen Professor of Law & Professor of Political Science
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Panelists:

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Panel 2: Taiwan's External Strategy:

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Closing Remarks:

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P R O C E E D I N G S

MR. BUSH: Welcome to our program on Taiwan's 2016 election, and the prospects for the Tsai Administration. I say "our" with special emphasis because we are very pleased on this occasion to co-sponsor with the Foreign Policy Research Institute in Philadelphia.

And in particular, I'm very pleased to have as my collaborator Jacques deLisle, who is associated with -- he's a director for the Asia Program of the Foreign Policy Research Institute, and he's the Stephen A. Cozen professor of law and professor of political science at the University of Pennsylvania Law School.

We've broken the program up into two parts, one on domestic prognosis, and the other on Taiwan's external strategy. We have an outstanding group of specialists to offer their thoughts on those subjects today. I have a special sensibility about the transition that we watched over the last several months, because I was in government as chairman of the American Institute in Taiwan, at the time that the DPP first won the presidency, in that case was Chen Shui-bian, and I have sort of principal memories from that period.

The first was the sense of anxiety, I won't say panic, but anxiety within the U.S. government about what might happen and what it would mean for the United States. This wasn't just concern about what President Chen might do, but it was also what China might do. And the second was that the Democratic Progressive Party at that time, really didn't expect to win, they just wanted to do well, and then all of a sudden on election night, they were faced with the task of governing a society of 23 million people in a very complicated policy context.

Moreover their transition period was only two months, not four as this time, they did the best they could. It was still ragged though, I think this time it worked out better, but the policy demands on the new administration are quite daunting, the uncertainties are still there, and China is a lot more powerful than it was 16 years ago. I think we should proceed immediately to our first panel, and I would like to invite Jacques and Shelley Rigger to come to the stage, and Jacques will introduce the Panel.

MR. DELISLE: Thank you all, again, for joining us. As Richard said, we are having our first panel focusing largely on domestic issues, and I don't think anyone on this panel, certainly my colleagues here need any introduction. Shelley Rigger has been commenting on Tai domestic politics for

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many years, from her approach at Davidson College, and is the author of many, many books and articles on that.

Richard, I think, known to everybody in this room, and to give a bit of his own background, and as everyone knows, one of the most prolific and insightful commentators on Taiwan and Taiwan's relations with its external world, including across the Strait and the United States.

I don't want to eat into the time on this panel, so without further ado, I'll get this started, and say that once they both speak I'll offer a couple words of comments on the long transition issue which, Richard, you asked me to speak to. So, without further ado, I think Richard is going first.

MR. BUSH: Thank you very much, Jacques. In my presentation I would like to do four things. First, is to review the facts of what happened on January 16th, and do that very briefly; second, talk about why there were such a stunning result; third, explore how much enduring political change this election represents for Taiwan, and then talk a bit about the trajectory of Taiwan's democracy going forward.

You have a handout that provides the basic facts, the first chart gives the number of votes, and vote percentages of the three presidential candidates in the presidential race who were; Tsai Ing-wen for the DPP, Eric Chu Chu Li-lun for the KMT, and James Soong Chu-yu for the People's First Party. The results basically were 6.9 million votes for Dr. Tsai, 3.8 million votes for Eric Chu, and 1.6 million for James Soong.

In terms of percentages that breaks down to 56 to 30 to 13. Tsai Ing-wen won a majority in all the local jurisdictions on the island of Taiwan. Eric Chu won on the low population islands of Penghu, Jinmen and Matsu, where the KMT has always been politically dominant. Your second chart gives the number of seats that each party had in the previous Legislative Yuan, which began in 2012, and the new one that convened in February.

The DPP victory on January 16th this year basically flipped the share of seats that it and the KMT controlled. The PFP held its own, and the deep-green New Power Party replaced the Taiwan Solidarity Union as the deep-green force in the LY. The DPP now has 68 legislators, the KMP 35, the People First Party 3, the New Power Party 5, and two Independents.

So, the DPP's majority in the LY is somewhat less than 2 to 1. Now, in the legislative

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election Taiwan voters not only choose among candidates to represent their local district, but they also cast a separate vote that's then used to determine how many legislators each party may designate from its national list. So, the third chart shows this party vote, and it grips the major parties according to their general approach on a variety of issues, green versus blue, and as you see, the green parties got together about 6.4 million votes and the blue parties 4.58. And that's about a 58 to 42 margin.

Now, moving on to explanation, the DPP victory was sweeping, but determining why it was so sweeping is not simple. It could be that this just reflects a relatively transitory shift in the public mood that will inevitably be followed by a swing back to the KMT, or it could reflect something more fundamental. And the answer to those questions, hang important policy implications not only for Taiwan but also for China and United States.

So the first part of my explanation is the strength of the DPP. The Party did just about everything right, starting with the candidate. She has a kind of cool charisma, particularly with younger-age voters, and this is in spite of the fact that she'll turn 60 years old in August. The fact that she had rebuilt the DPP after its 2008 drubbing at the hands of Ma Ying-jeou and the KMT gave her an authority within the party which was very important, and she corrected some of the problems that had surfaced during her 2012 campaign, to unseat President Ma, which they failed at.

Among other things, her campaign's message this time, the message discipline this time was really impressive. They knew what they wanted to say and they said it over and over and over again. Mobilization of voters has always been one of the DPP's strongest points, and it was very much in evidence this year. The party helped itself by forging an alliance with the young activist who had formed the Sunflower Movement that took over the Legislature in March 2014.

Finally, Tsai Ing-wen gained control of the policy agenda in ways that she did not in 2012. In 2012 the KMT was able to point to the real improvement in the economy after the global financial crisis, to then connect that growth to Ma's policy of economic engagement with China, and then to argue successfully to the public that Ma's acceptance of the 1992 Consensus was a necessary condition for this economic performance.

In 2016, on the other hand, it was the DPP that controlled the policy agenda. It emphasized the importance of domestic issues, including economic issues, and it asserted the cross-

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Strait economic relations were no longer beneficial to Taiwan. In this instance, I think the DPP was preaching to the choir.

Commonwealth Magazine did a poll in December last year, on month before the election, and the poll asked the public about the greatest areas of crisis, and of those people responding 41 percent said it was a weak economy, 32 percent said it was political infighting, 12.2 said growing in equality. You could give more than one answer, obviously. Only 8 percent said it was the direction of cross-Strait relations, but 62 percent said they were worried that Taiwan was becoming too dependent economically on the Mainland; so, DPP strength, on the other hand, KMT weakness, and the fact that the KMT was weak and that this was a loss for KMT in no way takes anything away from the DPP's electoral achievement.

But on the KMT side, first of all there's the reality that in any democracy the voters sooner or later will get tired of the party in power and throw it out, and that was working this time, it happens that in 2008 the same dynamic was at work, and Ma Ying-jeou and KMT actually did better in 2008 than Tsai did this time.

Second, the KMT suffered a significant split going into the election between its Northern Wing which is composed of Mainlanders and Southern Wing made up more of Native Taiwanese, and the KMT does well when it can bridge the gap between these two, in part by the distribution of resources. But this structure came under unexpected strain after 2013 when Ma Ying-jeou tried to purge Legislative Yuan Speaker Wang Jin-pyng, who is a leader of the Southern Taiwanese Wing of the KMT.

Third, I think that the Ma Administration didn't respond effectively to the rise of groups of activist young people who, through effective use of social media, mounted protest on a variety of issue areas. As I suggested before the DPP was successful in forging an alliance with these groups.

Fourth, the process of picking the KMT's presidential candidate was messy, it's impossible to know what would have happened if Eric Chu had decided, in early 2015, to run against Tsai, which I expected he would do, but it would -- the outcome would certainly have been better than his being drafted to run in November.

Fifth, the KMT lost control of the policy agenda, and I've mentioned its approach in 2012, but in 2016 the public was less receptive to those kinds of warnings, about the need to continue to accept

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the 1992 Consensus, and so on. For most voters, obviously, it was just enough for Tsai Ing-wen to say that she was going to maintain the status quo, and speak illusively about the 1992 Consensus, and its core connotation.

Now these five factors put the KMT's "party faithful," and I put that in quotes, in a very bad mood by Election Day 2016. That bad mood created my sixth factor, and that is low turnout. The previous two presidential elections, the overall turnout was around 75 percent. In 2016 it was 63.3 percent, but more telling was the absolute number of votes.

If you go back to the first chart in the handout it shows that this time, Eric Chu won only 6.81 million votes. In 2012, Ma Ying-jeou won 6.89 million votes; so, Chu got essentially 3 million votes less, 45 percent less than Ma did four years ago. Now, a good share of those votes maybe 40 percent probably went to the People First Party and James Soong. Some of the KMT's normal votes may have gone to Tsai, but probably 1 million KMT voters, I estimate, simply stayed at home on Election Day.

My third explanation is the role of China. China didn't take a position on which candidate they wanted to win, but they might as well have. Everything they said suggested that they preferred the Kuomintang and Eric Chu. Beijing, if it was assuming that warnings and threats would work it was badly mistaken. I think that China has operated with several assumptions about Taiwan politics, that may no longer be true, or they at least weren't true in this election.

The first is a belief that there's no fundamental divide between the two sides of the Strait. As Xi Jinping likes to put it, we are close as members of the same family. The second assumption was that Beijing can mitigate suspicion and hostility of Taiwan people towards China, and ultimately achieve its goal of national unification by going through the transitional phase of peaceful development, deepening cross-Strait cooperation in a variety of areas, and gradually resolving differences through dialogue and negotiation.

Beijing's third assumption was that Taiwan society basically favored the improvement of cross-Strait relations, and polls up until about February 2014 seem to bear that out. The fourth assumption was that threats worked, and all of those things were called into question, at least.

So we have a big change in Taiwan's configuration of power as a result of the election. The DPP controls both the executive and the legislature, Taiwan voters have, for the first time, picked a

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woman to be their President which is a signal event, in a society and political system which has traditionally been dominated by men. And Taiwan voters, the United States, China, will all look at the way the DPP uses its majority and its electoral mandate to address the policy issues before the island.

And I'm not going to talk about that, but I do want to talk about one question, and that is whether this election spells DPP dominance beyond four or eight years. And here I borrow a concept from American political science. The idea that in democratic systems there is sometimes what's called a political or realigning election. What this means, simply, is that a critical election is one what reflects not just short-term dissatisfaction with the incumbent leader and party, but also a fundamental and enduring shift in socioeconomic structure, and as a result attitudes about major policy issues and which party is best equipped to lead the country.

These shifts and attitude, in turn, bring about a significant change in party affiliation of voters and in which party dominates, in the case of America dominates the federal government. So, one example of a critical election in the United States is 1932 which led to decades of Democratic Party dominance in 1968, which led to Republican dominance. Dominance is relative, sometimes the dominant party will lose the White House or one -- House of Congress, but that soon reversed.

Now, frankly we cannot know in this case whether 2016 was a critical election in Taiwan. You know, it may be that four or eight years from now the KMT will come back to power because voters are dissatisfied with the performance of the DPP. You know, scholars and practitioners will need some time before they decide if something fundamental has happened. But I also think it's too early to say that this was not a critical election.

I think most of you in the audience know the ways in which trends in Taiwan are moving in perhaps a DPP direction. Ideas about identity, elections at the local level, which at least in 2014 the DPP did very well, and also polling about identification or affiliation with the party, the Taiwan indicator survey research found in late 2015 that 35 percent of respondents identified with the green camp, 27 with the blue camp, and 35 would not say.

This is almost a complete reversal from the situation in 2012 at the time of that election. Now, this question of whether 2016 was a critical election in Taiwan is not subject purely of academic interest for a political scientist like me. I suggested earlier that China had based its Taiwan policy on the

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assumption that the KMT is and will be the Island's dominant political party. And that public opinion favored the development of cross-Strait relations along lines that Beijing was comfortable with.

Now, a specialist in Beijing might say that this election represented a temporary setback in the dominance of the KMT and that sooner or later they will be back in power. But if it turns out that we are seeing the beginning of period of a period of DPP dominance, all the assumptions of PRC policy may not be as valid as they were before.

Looking forward, I'd like to say a few things about the political system that President Tsai will now try, and I emphasize the word "try" to lead. Several things come to mind, the first is that elements of her support base, are greener than she is. That is their sense of Taiwan nationalism is probably stronger, and they may place a higher priority on certain ideologically symbolic issues.

This is true not only of deep-green elements within the DPP itself, but also new forces like the new power party, which today I think it was announced that it was going to submit three constitutional amendments the purpose of which was to make it clear that Taiwan was not a part of China; that the ROC constitution was not a One-China Constitution.

Now, it is inherent in the dynamics of parties of any democratic system that the leader has to manage tensions between the political aspirations of the base and the imperatives of policy. And I think so far Tsai Ing-wen has shown that she's pretty skilled at doing this. I hope that policymakers in Beijing understand that this is a challenge that she will face.

By the way, Beijing has a similar problem, it's not a democracy, but it does have populism. General Wang Wei Ching's article about Tsai Ing-wen, and how she would be too emotional and extreme because she was unmarried, is a case in point; and somebody in Beijing had the right idea by taking that article down. But its effect lingers.

I think that President Tsai faces a more serious challenge, and that is that she's facing a daunting policy agenda. I'm not going to preempt Shelley on this, but I would like to touch on the political process by which that policy agenda will be handled. In her inaugural address, President Tsai said that Taiwan needed to build a united democracy that is not hijacked by ideology, and efficient democracy that responds to the problems of society and economy, and a pragmatic democracy that takes care of the people.

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The implication here is that Taiwan's political system is neither united, efficient nor pragmatic; and that's a judgment I would agree with. So this compounds her problem. Some of Taiwan's political institutions work better than others. I think the electoral system does a good job in reflecting the popular will when it comes to selecting leaders.

The legislature, on the other hand, is a weak reed when it comes to engineering reform. The committee system reduces any incentive that legislators might have to specialize on the content of policy. Indeed they place a higher priority on media attention and securing benefits for their localities, that's what politicians do. We understand that, but we would also like them to address policy challenges. When opposition parties in the legislature -- in the LY have opposed legislation forwarded by the government they've employed a variety of tactics to bring the legislative process to a halt.

But the more serious flaw in the Legislative Yuan has been the Consultation Committee where each party with three or more seats in the legislature is represented equally with any other party. And the speaker gets to vote as well. Now this mechanism handicaps the majority party, and protects the interest of minority parties. I understand that one of the reasons of this Consultation Committee was to encourage compromise in an institution that hasn't always had a culture of cooperation. But the result has not been satisfactory, to my mind.

Now the 2016 election has created an opportunity to reform the legislature through changes in rules of procedure. The departure of Former Speaker Wang Jin-pyng, I think removes a big obstacle to this. President Tsai has seen the value of legislative reform, she has put a close ally, Su Jia-chyuan, in as the new speaker, and the fact that her party holds a majority would facilitate reform.

Now whether DPP members of the LY will see it in their interest to change the culture of the institution is one question. I hope they do. Whether the KMT, which was the victim of obstructionist tactics when it was in power, will now succumb to the temptation to exert payback on the new majority, is another. The initial signs on this latter point are not encouraging.

Now some might say that reforming the LY and making it more efficient, giving more power to the majority over the minority, would mean that there would be insufficient checks on the DPP misbehavior. They would ram things through the LY and there would be no way to stop it. This is not a trivial concern; it can be ameliorated in part by fostering greater transparency and an authentic cultural

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compromise. In a system where majority rule is emphasized the minority can at least play a useful role by providing some measure of substantive skepticism, regarding that policy proposals of the Executive.

I would also argue that the balance on majority rule versus minority rights should be a function of the task that a society faces, and the cost of not facing them. And here President Tsai's word "pragmatic" is very important. Arguably, Taiwan is a case where the number and complexity of the policy tasks that the political system should address, mean that there is a reason to increase the ability of the chief executive and the majority party to carry out its agenda, the cost of not doing so are not small.

And, let's face it, there is the ultimate check on bad performance by the ruling party, and that is periodic elections, you can throw the bums out. So, whatever decisions are made on the balance of, between majority rule and minority rights in the LY, and whatever checks are created to slow or rush ill-considered policy actions, Taiwan's democracy is not going to function well without a robust party system.

The imbalance that currently exists between the number of DPP and KMT legislators means that the latter are less able to serve as a constructive check, on DPP dominance. Particularly if 2016 was a critical election, Taiwan needs an opposition that is capable of doing more than seizing the speakers' rostrum in order to appear to be effective.

Just as the DPP begin a process of rebuilding after its defeat in 2008, so now the KMT must begin its own rebuilding to ensure that the citizens whose policy views it best reflects get the representation they deserve. Thank you very much. (Applause)

MS. RIGGER: Should I stand up --

MR. DELISLE: Either way.

MS. RIGGER: Okay.

MR. DELISLE: Thank you. Shelley is up next to talk about other aspects domestic politics including party politics.

MS. RIGGER: Well, thank you very much. It's a great pleasure to be here and, as always, excited by the prospect of learning way more than I impart, but I'll do my best to say a little something about the domestic agenda, and what we might expect from the Tsai Administration in these early days.

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But before I say that, I wanted to recommend to you, an article that came to mind as I was listening to Richard, in particular on the topic of the PRC leadership's conviction, or hope, expectation that the KMT would remain in power. And that expectation has driven a policy that a colleague in Shanghai, Lin Gang, who is known to many of you because he spent many years at the Woodrow Wilson for International Scholars, running their China or their Asia programs, administering that program.

Lin Gang has come out an article in the current issue, so whatever this is, probably May or June 2016 of the Journal of Contemporary China, in which he discusses this policy and characterizes it as the policy of asymmetric engagement, where given the two major parties in Taiwan, the PRC Government made a decision to engage with one but not the other. And this is, I think, a very serious problem for the PRC. I think it's maybe a somewhat serious problem for Taiwan, but it's a really serious problem for Beijing. And one that they are no doubt scrambling to figure out.

But the article, as a whole, this article by Lin Gang in the Journal of Contemporary China is really excellent as a summary of PRC policy and PRC thinking at a pretty deep level, exposing some of the dilemmas and contradictions facing the mainland as they are trying to craft a policy for Taiwan, so I would just recommend that to you.

So another thought that I had as I was listening to Richard is that there is a lot to be worried about. You know, there are lots of people who have made the point that Richard also has just made that Taiwan is facing a host of challenges, and I think it's reasonable to be somewhat skeptical about whether or not she can effectively address all of the many things that are on her to-do list.

And I think there's absolutely, you know, there is a lot of truth to that. It's not going to be easy to be Tsai Ing-wen for the next four years. It's been a long time since it easy to be a national leader. Maybe it has never been easy to be a national leader; although I think probably some people might look back to the 1960s, in Taiwan, and imagine that it was pretty easy for Jiang Jie-she at certain moments. But certainly, he didn't think it was easy. He wasn't happy about the situation, Taiwan, it was in, you know, this is the nature of the beast, I guess.

But I will say that the virtue of Tsai Ing-wen is I think she (a) recognizes the magnitude of the problems Taiwan is facing, and the world, in general, is facing. And (b) I think she is more open both

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for personal -- you know, her own attributes, but also the kind of structural environment in which she finds herself to creative solutions to some of the problems that are facing Taiwan.

So I think the KMT had been, in a way, kind of -- I don't know whether they went forward or backward, but they were in a kind of narrowing alley, where the solutions that could be proposed to Taiwan's problems were very similar one to the next. There wasn't a whole lot of creativity or flexibility or new thinking. And so I think the inauguration of a new presidency, and the introduction of a new legislative majority, at least opens the possibility of looking in other directions for the solutions to Taiwan's problems.

And another for optimism would be that Taiwan has a legislative majority. She doesn't have a super majority as the KMT had after the 2008 election, but she does have a working majority; and better than a working majority really. And it is not a -- she is not presiding over a party that is -- not to say that everyone in the DPP is absolutely on the same page on every issue, of course, but the KMT for the last 16 years has been embroiled in a ever-increasing internal struggle for the soul of the party. The DPP is not in a struggle, I would say, for the soul of the party. And that may make it easier for Tsai as well.

And then finally I would just say that we should be cheering for Taiwan, at this venture, we should be cheering for Taiwan no matter what our long-term goals for our own countries whatever they may be, or the problems that Taiwan is facing. The problems that Taiwan is working to address, are the problems that we are all facing; and if she can come up with some solutions, then that's good for everyone, not just for Taiwan.

All right, so three -- three points and a conclusion; does that sound okay? I want to say something about the priorities of this administration, then I want to say something about politics, and then something about economics, and then I'll wrap up.

First of all, Taiwan has said from the beginning of the campaign, and even really before the beginning of the campaign that her focus would be domestic issues. So, even though in this town, it is impossible ever to talk about Taiwan without immediately drawing in cross-Strait relations, U.S., PRC, Taiwan, all of the sort of international issues, I think that we need to take Tsai seriously when she says her focus is to be on domestic concerns.

And I think also we need to take seriously her ambition to kind of find a way to extricate

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Taiwan's domestic problems for their entanglement with cross-Strait relations. Invariably within Taiwan when we start talking about, you know, economic problems, the conversation moves to, how our relationship with the Mainland is causing our economic problems. When we talk about income and equality the conversation immediately goes to how Taiwanese investment in Mainland and over-reliance, or if you think it's over-reliance, or the right amount of reliance; if you think it's the right amount of reliance, how that's leading to income and equality.

So, there is this deep entanglement of these two issues, and I think that that has really helped the KMT politically over the years, because the KMT has, until very recently, enjoyed a kind of built-in advantage as the party that can somehow be trusted on cross-Strait issues. So I think what Tsai is saying is real. That she would like to take those domestic issues and work on them as much as possible, independent of the cross-Strait relationship.

So what are the issues she wants to fix? Well, there are two main categories, domestically, political issues and economic issues. On the political issues, Tsai has defined or identified two major tasks which might seem to be contradictory. On the one hand she is hoping to institute a process of transitional justice, in which Taiwan will kind of excavate and address historical problems that have led to a kind of toxic, social relationship and environment.

The goal to which that transition justice process might on the surface to be in contradiction, is the goal of ending polarization and politics, of ending the kind of zero sum, deeply divisive and acrimonious political style, that has dominated Taiwan in recent years. So, what might say is that transitional justice will dredge all kind of unhappy memories and information that will only intensify the acrimony in the society.

I think in fact, that done right, and I think I am willing to entertain the possibility that Taiwan can do transition justice right. I did not entertain that possibility in 2000, when Chen Shui-bian was talking about transitional justice, I thought this sounds a lot like revenge. But looking at it from the perspective of 2016, and thinking about how the last 16 years have unfolded. I no longer feel that way.

I believe that transitional justice can be actually a useful process for Taiwan of putting to rest long-standing sources of distrust and dislike and division, and allowing Taiwan to move past it. And I think one thing that -- one sort of data point for shaping my thinking on this was the revelation, just a few

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months ago, that letters from people who had been imprisoned during the White Terror era, so the 1950s and into the 1960s in Taiwan, so political prisoners.

Letters from these people written in prison were delivered to their survivors in 2016, or 2015. And I thought, all right, if we are still doing that, right, if there are still people in Taiwan who think it's necessary, believe it's in their interest to withhold correspondence from the long-dead political prisoners to their survivors, one, two, three generation hence, then Taiwan definitely needs a transitional justice process.

They need to pull this stuff by the root and move on. But moreover, I think one of the things that I have more confidence that Tsai Ing-wen is to recognize that the process of transitional justice for Taiwan needs to be transitional justice for everyone. They were not just excavating the 2/28 Incident, which was primarily an incident of the ROC Government against Taiwanese people, but we also need to excavate all the ways in which the KMT had its own. Right?

There may well have been more political prisoners from the KMT. People rounded up because they insufficiently anti-communist, or had somehow fallen afoul of the Chiang Kai-shek leadership than people outside from outside the KMT, so all of these things need to be brought forward, and everyone in Taiwan needs to know the island's complete history.

So while on the one hand a certain kind of transitional justice process could exacerbate acrimony and divisiveness and polarization, another kind of transitional justice process, can actually alleviate those harms. So I think it's very interesting and important to notice how this process unfolds, assuming that it does unfold, and how maybe it can, in fact, be the basis for a more unified pragmatic, et cetera, political environment.

The other major political change that Tsai is attempting to implement is administrative efficiency and transparency, so the black box was kind of the symbol of the last two years of what's wrong with Taiwan's politics. The idea that no one knows how decisions are made, and I think it is very important to the DPP, incoming DPP Government not to fall prey to the temptation to hoard information and power in ways that leave the society increasingly on certain distrustful of the way decisions are getting made.

And I think that the DPP leadership is likely to be much less isolated than the Ma

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leadership -- the Ma Inner Circle was toward the end of Ma's presidency, so I see potential on that front as well.

Also, as part of improving the efficiency of the government, all of the issues related to the Legislative Yuan that Richard was talking about, I was going to say all of that stuff too, but now I'm not because Richard already did, and I think he's exactly right.

I would say on the NPP, the New Power Party, they will try to exert some leverage over time. I'm not so sure that they really can. I'm not so sure that the NPP is a very potent force in the -- even the short run much less the medium and long run in Taiwan. But I could be wrong about that.

One thing I would say, looking around the room, it seems not inconceivable that there might be someone here who is a graduate student, or an undergraduate student, or an analyst in a position to choose his or her own research topics, with respect to Taiwan, and I -- you could not pick a better topic right now, than following, with dogged determination, how the Legislative Yuan procedures evolve. I guarantee you somebody in this room will publish your work if you can write an article that shows us what's changing in the LY, and how those changes are being implemented.

This has always been a source; it's a black hole in the academic literature. There were a couple people I thought were going to go in this direction, and then they took up other topics. Even in Chinese this is a very thinly-studied topic, the LY and how it actually works. So get in there and do it, because that's really important.

All right, economic issues, very quickly: The economic issues that Tsai really emphasized in here campaign in her speeches, including her inaugural address, are really two-fold. One is distributional issues, so you can talk about in terms of social welfare, social housing, all that stuff, but what we really -- what all that boils down to is problems of distribution, sustaining the middle-class standard of living. The advanced industrialized democracy, middle-class standard of living that Taiwanese have enjoyed, making sure that that is still available to everyone, or nearly everyone in Taiwan.

That is a huge challenge, and one that Tsai has put front and center, and then the other; and this is sort of, I think how the concrete measure for achieving this kind of distributional -- an acceptable distributional environment for Taiwan is to generate new forms of economic activity. And

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again, the list of possibilities is really long, but I think what we need to recognize is that nobody really knows what the next big, industry might be, that will allow Taiwan to ride the wave of prosperity for another few years, and one of the things that we know is that the waves of prosperity are breaking much more quickly than they used to, it used to be.

If you get into injection-molded plastics you could get 20 good years out of that. Now, you know, you figure out how to make an iPhone for \$500 and, yeah, six months later Steve Jobs is knocking on the door saying, okay, what's next, you know. So these waves are moving very quickly and Taiwan has a long history of catching them, and so the question that Tsai Ing-wen is putting before her innovators, her entrepreneurs is, how can I help you catch the next wave, and the one after that.

Taiwan's economy is not what it used to be. It's not the small and med-sized enterprises, you know, the nimble little family firms that can dart back and forth. Taiwan's economy is a 21st Century economy, it's big companies, many of which started small but they are big now, its manufacturing is largely -- its sort of, traditional manufacturing is completely gone, to the extent to which manufacturing happens in Taiwan it is highly specialized or requires a certain kind of workforce, or it is automated.

Taiwan companies, even in the Mainland where they have access to relatively inexpensive labor, are also going strongly into automation because there is no worker cheap enough anymore to compete with a machine. So, what Tsai is faced with is this challenge of figuring out (a) how to provide for people in an era when (b) most forms of economic growth are relatively jobless.

All right, jobless growth is what Taiwan has experienced to a really scary extent. And so how do you create jobs? How do you, in the absence of jobs, create income for people? This is a real challenge. And if the DPP, if Tsai can't do it, and the KMT can come up with some better ideas, I think they will have a chance to come back in four years or eight.

So, just to conclude then, I think this is really where Tsai is -- where it's important that Taiwan has experienced a turnover of leadership. Taiwan sees the same problems that other leaders, not just in Taiwan, but elsewhere see, in fact, I would argue that Taiwan sees the same problems in Taiwan that presidential candidates, Bernie Sanders and Donald Trump have been pointing to in the United States.

In many different ways but, fundamentally, the problem of globalization, technology, the

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way capitalism has emerged in this century, is challenging states everywhere. And the difference between Tsai, I think, and the KMT is that she can see those problems, she is calling attention to those problems, and whether or not she can solve those problems, is another question. But they cannot be solved as long as they are not recognized, and as long as the only solution is just kind of, let's do more of the same that we have been doing, and hope that we get a different result. Thanks. (Applause)

MR. DELISLE: Well, thank you, Shelley. So my two colleagues on this panel, Richard Bush and Shelly Rigger have given you an extraordinarily rich, detailed, and I think quite insightfully critical view of the domestic prospects under Tsai and how we got where we are. I want to take a few minutes, still leaving us, hopefully, ample time for Q&A, to address the peculiar problem of Taiwan's long transition.

As everyone knows we had an election in Taiwan in January of 2016, the Legislative Yuan, the new Legislature took off almost immediately therefore, but it took until May 20th of course for President Tsai to take office. Now the U.S. used to have an equally long transition, but that was a while ago. It was a time when politics, arguably, moved a slower, and in a country that had more room for error and sluggishness maybe than Taiwan does given its circumstances.

The GAC was ironically the products of, I think of -- I think some of functionality-oriented constitutional reforms in the last round. The idea was to get the legislature and the presidential terms in sync, which was thought to be a good step for government efficiency, they would be in the same year, and we would all be spared the election-a-year process in Taiwan which was exhausting voters and led to a constant referendum as it were, that left each party constantly judged in a way that was seen as not terribly functional.

But one of the products was, of course, to create this four-month gap, and the problem in theory is compounded in Taiwan by the problem of its ambiguously half-presidential, half-parliamentary system. The head of the executive Yuan, the premier, is technically in a relatively parliamentary structure, accountable to the legislative Yuan, but is in practice, of course, selected by the president and is very much the president's agent.

If you wanted proof of that just think back to Lien Chan , when he managed to be vice president and premier at the same time. Something Taiwan's constitutional court sort of held its nose at,

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but said, you know, we can't really stop it, but it's a bad idea. In practice of the issue that's somewhat different it's the problem with this last transition, for the first time having an incoming DPP government in both branches, I mean, lingering KMT, a president which create a lot of anxiety.

And so if you think back to the period from either the election of just before the election when it was clear, that Tsai and the DPP were likely to win, at that moment, they were really quite -- some quite dark worries, you could hear people, particularly within the DPP camp, worrying about Ma might do as a lame duck to try to lock inside to severely constrain what she might do, particularly in external relations. And so you saw concern about Ma's visit to Taiping Island, about what might happen on the South China Sea issue, very late in the transition period, the Okinotori fishing business and things like that.

On the other hand, there was the opposite concern, which is that Ma would go passive, that he would abdicate and everything would kind of drift, and then what do we do. There was also the suspicion, set of suspicions raised by Ma's offering to say -- by Ma's offering to allow Tsai to, in effect, appoint a premier for the lame duck period, saying, you guys won the legislature, why don't you pick your premier, have it added, and the DPP rebuffed that, and I think in some quarters fearing that it was a trap. And at the very least that it was a problem of responsibility without power, right, you'd have to power share with the president and it was potentially a lose-lose situation. Even though, again, there was plausible argument for it given the half-parliamentary structure.

And it raised the specter that if Tsai and the DPP had accepted that, then they would have been vulnerable to even louder versions of some of the charges that did emerge during the transition, of a not-yet-in-power president, overreaching. So we even heard criticisms of Tsai's role, in Su being chosen Legislative Yuan, and that that was something that made sense, perhaps, in her role as party chairman, but it was vulnerable to criticism as an Incoming president mucking around in legislative politics.

On the other hand, there are also concerns of how from the deep-green elements, that Tsai wasn't doing enough, that she was letting the lame duck government operate more than it should. So, basically it's a no-win situation. You are going to get criticized as both Ma and Tsai were -- from both sides. And there was an attempt to address some of this by a frantic effort of legislating a transition law in

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the LY, which really didn't mean much, and couldn't mean much, because mere legislation can't affect the constitutional structure.

Now, that that argument more or less carried the day, I think as solitary, it suggested a constitutional democratic structure and culture, that has taken root in Taiwan. Enough that people know there's not much you can do about the fundamental structure in the allocation of power. But whatever you think about all that, it turned out to be not so bad. Yes, there was fair amount of paralysis, not a whole lot happened during the transition, but that's in a way, you know, a not-bad sign. There was friction over some of the issues I just mentioned, but in the end it all went relatively smoothly, and certainly not a great downturn in the effective governance of Taiwan.

Now why was that? Several reasons, for it being okay; one is that four months isn't all that long, of course. Another is that the premier who was chosen turned out to be basically a pretty well-liked good guy, who didn't really push much of an agenda and had a lot of respect across the spectrum. Tsang-Jung Chang, I think got through this quite well.

Another measure of course is the very low baseline. To say the LY did not become more dysfunctional isn't exactly high praise, or not much happened before because of the points that Richard has made, and others, and Shelly as well. So there wasn't a whole lot of room to head down, but it could have been worse. It could have been much more confrontational than it was. And here I think both sides pulled in their horns a bit. I mean you saw in the discussion these still, un-passed cross-Strait Agreements Supervision Bill, not really pushing the most offensive language, you saw a variety of attempts to, I think, kind of muddle through as it were.

So some of it is that, but I think there's actually, to be a little less-flip about it, I think there are some things were quite heartening that explain some of the relative quiescence, relative functionality or at least non-dysfunctionality of the transition period. And you think of this as partly political luck; it helped to lock that this was a clear election, this wasn't 2000 with a minority president; it wasn't 2004 with a question about who really won the election. And it was a pretty clear mandate.

And it was a mandate which threw out the party that had been able to claim the mandate eight years earlier with the then opposition, DPP accepting the results. So you now the cycle of accepting the results; and so there was a democratic legitimacy to the incoming regime that I think constrained

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anything anyone might have wanted to do.

And you know the KMT was willing to leave. I think Ma was basically done, and accepted that and was heading out the door. And so one of the real heartening moments about being in Taiwan on May 20th, after you get through all the pageantry and all the dance and inflatable Aboriginal balloons now, is when the outgoing president and the incoming president appear on stage together. I mean it was this extraordinary, almost wonderfully banal moment and I think that captured a lot of the underlying politics, so that was a part of it.

Some of it was political calculation, the KMT pretty badly beaten up, didn't have much to gain by seeming to cling to power and wheeled that more than seemed appropriate. The DPP wasn't all that eager to step in before it really had all the levers of power in its hands, and so on. And I think, you know, more generally again, it's a political culture of democracy and constitutionalism, and in Taiwan it is really quite heartening.

Now, in some ways I also think there's something to be said for the long transition. In a weird way it turned out to be a good thing to have a soft transition with four months where Tsai could kind send some soft signals, Beijing could kind of read her, before the fraught moment of 520, when she had to sort of articulate the text that was going to be parsed and cast in stone. So although it created some anxiety I think it really was -- it really was not a bad, a bad thing at all to put some things out there.

Now Beijing did not do as much with that as I think it could have, but it at least allowed everyone to kind of get used to a new situation and kind of ease into it. And so both for the domestic political reasons, or domestic political aspects they talked about in the cross-Strait issues which I just touched upon, it worked reasonably, and it's a good thing that it worked reasonably well because it ain't going to change. I mean there is basically no way to fix this constitutional feature of the long transition.

There were some too-clever by half suggestions about how you could the terms into sync, maybe if Tsai were to resign four months early in her first or second term, you know, but that's I think kind of fantasy talk, and formal constitutional amendment is pretty darn hard. The last round of constitutional amendments made future constitutional amendments nearly impossible with the requirement of a super majority in LY, and then referendum, with a majority of voters participating.

Even the most seemingly, I wouldn't say anodyne, but seemingly not terribly fraught

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constitutional amendment, lowering the voting age to 18 as it is in many countries, even that doesn't seem to be going anywhere. So, there was a hope we would get through but then it got some gummed up with the concern about young people being pro-DPP and it being tied to the possibility of allowing absentee votes, so you wouldn't have all the Ti Chang flying back to vote in person, or things like that. So yeah, it happen but even that at this time, there had been other amendments, including, of course, the kind that the NPP is talking about introducing will not likely go forward.

So the real challenge is it seems to me, and with this so close, the real challenges it seems to me are not these constitutional ones of the long transition, the mixed presidential, parliamentary system and so on, the challenges that are actually out there to be addressed are more quasi constitutional ones. How do you deal with this particular structure in a moment of at least temporarily a unified government with, however, a minority party that clearly has its issues and is trying to find its way?

So there are several features here, I think, in quasi constitutionalism or the more soft constitutional norms that are kind of a mixed bag and I'll just list a few of them. One is that we do see a kind of non-partisan cabinet almost. There are some clear partisans and people who are very close to Tsai in some key positions, but a lot of non-party affiliated people, a lot of old white male, old Taiwanese, we call them old white guys here. It's a sort of elderly-mostly -male group, many of who have a lot of experience throughout the governments are not entirely partisan group.

We see Su Jia-chyuan in the LY as somebody who has pushed for openness and accountability and seems to be charting a relatively moderate course. And the question is LY reform. Will we see the kinds of changes that Richard and Shelly were talking about, particularly on the ability of a very small group of legislators in the Caucus system to block legislation? And then the questions of transparency and administrative efficiency and all that, that I won't recapitulate.

Secondly, there is the question of the judiciary, one of the other striking things about Tsai's inaugural address was the biggest applause line was fixing the judiciary, an institution that takes a lot of criticism from a lot of different directions, much of it is that it's out of touch with the people, out of touch with social norms, but also a sense that it's just too opaque, too hard, to fathom what it's doing, and some talk of whether there's too much ties between prosecution and the courts, and a long of complaints, but clearly it's an area, a major branch that is target for some kind of reform and improvement, the exact

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contours of which remain to be seen.

There's been talk about changing the referendum law. This became a bit of a controversy in the transition period when the more deep-green wing, if you will, were talking about linking this explicitly to referenda on the national territory, that's been sort of clawed back into a more generic discussion about what do you do with the things in the constitution that were assigned to the National Assembly, which no longer exist, and so on.

And there is, as Shelley and Richard both mentioned, Shelley in particular, the truth and reconciliation, or transitional justice process. This isn't explicitly institutional or constitutional in the way that I've been talking about it, but it is a delicate question in any post-authoritarian order, right. How do you handle what happened before? And I think it does have the upside potential that Shelley was talking about, but let's not ignore the downside, potentially, it gets tied up questions of desensitization, of reopening Mainland, or Taiwanese risk, and so on, and I think there is a somewhat disconcerting discussion about which model of truth and reconciliation to use.

So you will hear discussions of the South African model and East German model. If you parse through what those mean, and the question of analogy to other countries, always looms large in discussions of Taiwan's internal and external relations, those really do play out in some quite complicated ways. But East Germany obviously has a quite rigorous accounting of those who were on the other side. South Africa has had a more, sort of accommodating approach to some of the questions of the transitional justice.

South Africa obviously has an ethno nationalist component that echoes in some ways, but East Germany has a political system change components, there are all these things, I think, that loom out there. Those are probably a little esoteric but the devil will be in the details. What happens after you do the investigation of the facts what are the consequences, and I think those issues are still to be settled, and how those work will give us the answer to Shelly's closing question on this issue about whether they would get this right, or get this wrong.

So, with that I want to stop and leave us time for questions. We got started a little bit late, so we'll take 15 minutes for questions before breaking for coffee; so, (inaudible). (Applause) Wait for the mic, please; and it's coming.

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MS. DREYER: Thank you. As people have remarked the KMT is in considerable disarray, and I think most of us agree that a two-party system is a good idea for any county, or at least a two-party system. And I'm interested in your opinions of what kind of KMT, or perhaps what kind of two-party system is going to emerge? Personally I'm pessimistic about the future of the NPP. The KMT does not seem to be adapting very well. This could just be a transitional thing.

I think Ms. Hung is probably not the right person to preside over a transition, but I would just be interested since you all are experts on this topic, of how you see a realignment taking place?

MR. DELISLE: I'd really like my colleagues to answer this, but I just want say one thing, when you ask your questions please identify. That's June Dreyer from the University of Miami, and FPRI Senior Fellow.

MR. BUSH: Do you want to go first.

MS. RIGGER: Well, I think to think through where the KMT may be going, a good starting point is try to figure out what went wrong, and where the KMT is coming from. And I am increasingly convinced that the beginning of the end for the KMT was a long time ago in 2000 when Lee Ten-Hui and Soong Chu-yu, James Soong, left the KMT because they were, each in his own way, the logical leaders of a Taiwanese KMT. A KMT that was really about coming up from the grassroots, sustaining the thread of connection from the party headquarters all the way down to the places where the KMT is most successful, which are grassroots elections.

You know they, both Lee Ten-Hui and James Soong had deep roots, they had good relationships and they were able to understand their role as -- or Lee Ten-Hui, pretty much, entirely representing Taiwan; and for James Soong, I think he was perfectly happy to do that if that's what he needed to do in order to advance his political career.

Their departure really left that part of the KMT that -- I don't want to call it faction, but that component of the KMT, leaderless, and the leadership transferred over to the sort of successors of the Jung clique, and for various reasons that was manageable during the Chyuan administration, and it was manageable through a part of the Ma administration but it became unmanageable.

And it became unmanageable in part because Wang Jin-pyng, the speaker of the legislature, tried to be that guy, and he was prevented from taking that tenancy, that component of the

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KMT back to centrality in the party, and he was sort of, personally, I would say, stiff-armed out of the leadership in order to -- Well, in order to prevent the leadership from falling into his hands, but the result of that was that his whole group was unable to feel itself fully, acknowledge, recognized, respected, appreciated, and empowered within the KMT.

So, I think those guys are still out there. I mean, if you look at the who -- if you look at the sort of mist of political figures in Taiwan, there are plenty of KMT people in local governments, in county governments, even in the legislature there's still a lot, but what they need is, they need to reorganize the KMT or some other political party but the KMT has a very good brand. It's not totally an excellent brand, but it's better no brand. It's hard to create one from scratch. And still has a lot of money.

You know, there are resources, there are reasons why the KMT might renovate itself from within, and so the selection of Hung Hsiu-chu, the failed first presidential candidate KMT, as Party Chair, seems to me to be just the dying gasp of, you know, that same competition.

MR. BUSH: If I could just say; it can sometimes take a long time for a political party to figure out what went wrong and fix the problem. I worked in the Congress in the '80s and early '90s and watching the Democratic Party figure out why it kept getting beat by Republican presidential candidates was painful. And finally they figured it out, and we had Bill Clinton but, you know, it takes getting beat up for a while, before you can get things right.

MR. DELISLE: I think it's a bit like alcoholics anonymous, right, you have to wake up in the gutter before you turn out -- But the art has been implicit, and I think you've been explicit in terms of what's been said here. Everybody had declared the DPP dead in 2008, and things looked pretty darn bad, and yet eight years later.

MS. RIGGER: And I declared the KMT did in 2001 so, you know, they've all --

MR. BUSH: In both occasions I reminded people that each party has sources of resilience.

MS. RIGGER: Mm-hmm.

MR. BUSH: And it's proved right twice, right.

MS. DREYER: Yes. The nonconformance I think it --

MR. DELISLE: The Zombie, for the Zombie Party. Well, the other thing I'd say is that --

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just to get back to the point on sort of constitutional and political culture in Taiwan. When it looked the KMT was permanently riding high in 2008 and thereafter. There was a lot of discussion about the aversion to (inaudible), a one-party dominant system, you know, here is this sense that it would be a bad thing in Taiwan if any party were to become permanently dominant. And I think that's -- you know, that doesn't translate neatly into going and voting for the other guy, but it at least, I think, put some friction on the idea of a permanent majority party, or yeah, super-majority party.

The woman had a question. Yes, Norman?

MR. FU: Norman Fu with China Times of Taipei. So far there's been no discussion whatsoever on the cross-Strait relationship. I see --

MR. DELISLE: That's the next panel.

MR. FU: All right. But can I ask the question now?

MR. DELISLE: Sure. We may save it.

MR. FU: All right. There is a story to the effect that James Soong apparently has been offered a job of being the Chairman of the cross-Strait Foundation, so called High G-Way , the story also said he recently came to the States to visit his children and grandchildren. I wouldn't surprised if this is (inaudible) with the mainland.

The gist of the (inaudible) Jimmy Soong's close relationship with the PRC, (inaudible) of the cross-Strait Foundation, he made a statement virtually accepting the so-called '92 Consensus, whereas the Tsai Administration would neither confirm nor deny of this statement by Jimmy Soong. So, the trick is to resolve the deadlock of the so-called '92 Consensus between the Mainland and China. I wonder if you have any comments of whether you think this is likely to happen.

MR. DELISLE: Well, let me just say -- give you a very short answer. First of all, I at least don't know the facts of the situation concerning Mr. Soong. And so it's really hard for me to speculate based on things that I don't know or I'm not sure of. And I'm not sure that making him the Head of the High G-Way is -- you know, might contribute to bridging the gap, but I think that ultimately if the gap is going to be bridged it has to be between through interaction of the leaders of both sides.

MR. DELISLE: Vincent?

MR. WANG: Hi. Vincent Wang, University of Richmond. I want to pursue a question on

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domestic priorities. In addition to the transitional justice issue, Tsai, in her inaugural speech, also mentioned two priorities; one is a pension reform which had continued from the previous administration. The other is judicial reform, but she said, as much as about convening a National Affairs Commission, as a way of approaching these two thorny issues.

National Affairs Commission is a form of political -- sorry -- elite settlement in political science jargon, so this make me wonder about Shelley's earlier comment about whether the truth the reconciliation, the transitional justice issue should be pursued in a healthy manner, or in a more divisive manner. It seems to me that if Tsai wants to succeed on those two, National Affairs Committee, it has to be pursued in a very reconciliatory manner. I wonder if these three are linked, and anyone could comment on that would be great.

MS. RIGGER: Well I guess, the suggestion you are making is that in the -- in an atmosphere where a transitional justice process is underway, reconciliation on other issues becomes very difficult --

SPEAKER: More and more (inaudible gap) --

MS. RIGGER: Right. And I guess that's what I mean when I say -- said that the way Chen Shui-bian talked about transition justice, and the way transitional justice sort of emerged in the late '90s, seemed to me to raise the real danger of that becoming a process that only worsened social divisions. Whereas the sort of personality of the DPP today is, I think, certainly there are people who would relish the opportunity for a more divisive process.

But I think the leadership is wise enough to recognize that this is not simply a kind of bone that you throw to angry deep-green people, but rather part of a much more meaningful and kind of foundational approach to governing, that enables a lot of other things to happen. So, while the process could be hijacked, you know, by people seeking revenge, I don't see that as the driver in the way that it seemed like it might become the driver 20 years ago.

MR. BUSH: I would only say that there are different ways that you can do transitional justice to follow up on Jacques' point. And I'd refer you to a very good lecture that Columbia University's Carol Gluck gave as the Annual Nancy Bernkopf Tucker Lecture at the Wilson Center. It's online, it goes into the various layers and avenues for doing transitional justice and, you know, it's possible that you

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could get consensus on doing A, B and C, an agreement that we are not going to do D, E and F for the sake of social stability and policy progress.

MR. DELISLE: And I would just echo some of Shelley's comments, earlier on. They say that clearly this is an issue that needs to be dealt with because it is still so fraught. I mean, you mentioned the letters and, you know, there was obviously a lot of discussion about the pageantry preceding the inaugural address, right. How you portray Taiwan's history. And so anytime you get near this it's a bit of a third rail, so that creates the pressure to do it.

I think the other that reflects us, is just how skittish people are, and you talk to anyone who is getting near this discussion, and every model pushes buttons the fears of revenge and so one, and so I think the important but very delicate, despite my guarded pessimism or limited optimism on that I would point to a couple of optimistic things. One is that people are talking across the aisle about how to handle this, and that in her inaugural speech Tsai not only talked generally about truth and reconciliation, but quickly layered on the treatment of Aborigines, which makes it not just a KMT Taiwanese distinction. And of course, given the way the Aborigines typically have voted it's an interesting gloss on that.

I think we've run up against our time. Do we have time for one more? I'm not sure that we --

MR. BUSH: Yes. Sure, let's go for one more.

MR. DELISLE: Okay. Mike?

MR. FONTE: Thanks for a rich presentation. I'm Mike Fonte. I'm the director of the DPP Mission here. Just to get a little bit into this question of the split in Taiwan's society. Those of us, and most of you are in that age range, who were in Taiwan a long time ago, know there used to be a difference between Quasing long and Busing long (phonetics) but the outside the Province people and the people who are from the Province, I was there in '67, which is 20 years after the takeover.

So, I think that's changed dramatically. I mean, I know own language, when I go back and speak Taiwanese or Herlow Taiwanese to young people, they understand me, they don't speak it very well, and I think that split has changed dramatically for the younger generation, not for the older generations, because they remember those days. So I think that's an important element, and that's where I think Wang Jin-pyng can be an interesting -- or that group within the KMT.

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That the old group still maintains the structural -- the structural control of the Central Standing Committee, and therefore got a Hung Hsiu-chu as a chairperson, that's been -- they've been narrowed down. At least that's my sense. And I wonder if that's your own experience.

MS. RIGGER: Yeah -- No. I think that -- I think it is a very narrow group, and I think that the last few years -- you know, another good research project is figure out what went wrong with the KMT in the last four years, 2012 to 2016 because the fortress went up, you know, and the inward-looking nature really intensified and it seems to me that that made it just impossible for the KMT to be successful in 2016. That the inner circle around the presidential office had so tightened and locked out nearly everyone.

And it was sort of personalized in this conflict between Ma and Wang, but I think it was much bigger than that. And I think that surely a lot of KMT legislators were think, you know, what's going here? What happened to our party? But on your observation about sort of the sub-ethnic or the ethnic cleavage being a driver in Taiwan politics. I think it is definitely very much so. There's tons of data to show that young people do not care about this issue. And that even people -- even their parents don't care about this issue.

You know, one of the long-time survey questions from Academia Sinica is: Would your parents allow you to marry outside of your group? And it used to be, hell, no. And now, you know, what, what are you asking? And a big part of the reason for this actually is that many young people don't have a clear understanding of what this category Achen zhi provincial origin actually is, because since 1991, since 1991 it hasn't been an official datum that is collected.

So until 1991 it was on your ID card what your provincial origin was, and it was Lidong Wei who said, let's not do this. Let's just not do this. Let's not label people in this way. So now people choose their own labels, because the state has stopped labeling them. And when you let people choose their own labels, then they say all kinds of crazy things.

MR. DELISLE: We'll restart at 10:40, to resume. We'll now have a coffee break.

(Applause)

(Recess)

MR. BUSH: If I could ask you to take your seats we will resume. I apologize for terminating all of this convivial conversation but we do have time pressures.

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So the first session was a fairly granular look at what is going on inside Taiwan but the impulse to external policy is irresistible and so that's what we're going to do in this session. And we're going to look at cross-Strait relations, foreign relations and U.S.-Taiwan relations and international space. And we have four great people to do it. I think you know them all. Alan Romberg who is distinguished fellow at the Stimson Center and director of its Asia program will talk about cross-Strait relations. June Dreyer who's a senior fellow at FPRI and a member of excuse a professor of political science at the University of Miami and a highly respected scholar will talk about foreign relations. Vincent Wang will talk about U.S.-Taiwan relations. We need to congratulate Vincent because he's been at Richmond University for many years but he will move soon to Ithaca College to become the dean of its School of Humanities and Science. Congratulations Vincent. And then Jacques deLisle is going to do double duty and talk about international space. So without further ado let's start with Alan.

MR. ROMBERG: Thank you very much Richard and thankyou Jacques for organizing this and I'm very pleased to be a part of it. As Richard said the although the topic is sort of Taiwan's perspective I'm going to try to look at the question of cross-Strait relations with where we are and the possible influences on where we'll be going from both sides of the Strait to try and get some sense of a holistic picture.

Going back to the previous panel I certainly would agree that the focus of attention both in the campaign and likely going forward will at least try to be on the part of the Tsai administration on domestic issues especially I would argue the economy. But I think that it is also a truism if nothing else that cross-Strait relations will have a pretty profound effect on the success or failure to address those issues in an effective way.

Looked at from the Taiwan side and I don't think I'm going to be telling a lot of you something you don't know but I'd like to sort of at least give my perspective on where we are. In her inaugural address on the 20th of May Tsai took a number of important steps to reassure Beijing that she did not have a Taiwan independence agenda and that the mainline of her approach would be to maintain continuity in substantive terms. She expanded somewhat on what she had said before regarding how the stable and peaceful development of cross-Strait relations must be as she put it continuously promoted based on existing realties and political foundations again in quotation marks. She also referred of course

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to the accumulated outcomes of the more than 20 years of interactions and negotiations, that is going back to 1992 even though she didn't mention the consensus and that both sides needed to cherish and sustain that. So I think that what she was saying in essence was there's going to be no backsliding but it's also an active process, it's not a static one. It is not something where she is trying to hold still in terms of cross-Strait relations even though there will be some important adjustments.

Another example I think of continuity besides the reference to the constitution and I'm willing to say that some people look at the constitution as having more than one interpretation. So I think she was trying to signal a consistency with that reference. But even if people said well yes but the constitution has sometimes been defined not as a one China constitution. She talked about conducting her relations in accordance with the provisions of the statute governing relations between peoples in the Taiwan area and the Mainland area. Jacques is the lawyer here but the explicit premise of that law is that it applies "before national unification" and the Mainland area is defined in the law as the territory of the Republic of China outside the Taiwan area.

Now I think it would be a distortion to suggest that by citing this Taiwan was committing to unification. I don't think that's fair understanding. But it does stand in my view anyway and I'd like to hear other views as a clear statement that she accepts as a practical approach the basis which has existed which has been a one China basis under maw even if she won't endorse the formulation the mantra if you will that Beijing has insisted upon.

Another example I think of her ever to reassure Beijing was her statement about the responsibility to safe guard sovereignty and territory of the Republic of China and it was in this context that she said she looked to setting aside disputes in the South and East China Sea. This importantly I believe echoes the stance not only of her predecessor Ma Ying-jeou but also the Mainland in many ways. The importance is that it is well known that Beijing is very concerned that President Tsai might abruptly change policy in particularly the South China Sea abandoning the long standing policy of her government or what is now her government in these areas and as a step in a direction of separate status.

I think that while it is evident that the Tsai administration is not going to collaborate with the Mainland on these issues her references are a clear statement that she is well aware of the sensitivity that I'm talking about and that she has no intention to provoke Beijing over these matters by shifting

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course.

Consultation with the Mainland, something that Beijing calls for all the time is not only off the table it's clearly on the table. This includes for example discussion of "common participation" by Taiwan and the Mainland in regional economic development. Now the devil is in the details. I think Jacques used that in a different context but I think it is true here. But at least at that broad level in looking at regional economic activity it's pretty much along the lines that Beijing has also proposed.

She's emphasized that her new south bound policy which is to promote diversification and avoid over dependence on the Mainland market is going to be a major initiative. Nonetheless she's not abandoning the Mainland market. Moreover, I think that it's pretty clear that by seeking a cooperative relationship with Beijing on regional development she is adopting a sensible approach that will potentially yield positive results in the long run. It's also consistent with her call for establishing a mechanism to promote trust which is obviously sorely lacking and to resolve disputes.

From the Mainland side Beijing has repeatedly said well it is Sai Aung Win who is destroying the status quo or threatening the status quo by failing to endorse the 92 consensus or at least some form on One-China. I actually do think that the PRC realizes the dimension of political shift in Taiwan after the November 2014 local elections. They may not like it and they may have as was said in the last panel shown their preference for a different outcome but I think that they understood the likelihood of what finally did happen. But I find it hard to believe that anybody though that Sai Aung Win was going to endorse One-China or oppose Taiwan independence. A central factor in her whole approach has been to preserve for the people of Taiwan ultimately whenever that ultimate day may come the decision power on what their relationship with the Mainland should be. I don't think she has basically framed this as a statement of independence but rather as a democratic principle. Now Mainland friends will sometimes say well but what do you think is in her heart? And my response is I don't care what's in her heart. I think she has approached her likely responsibility which she has now assumed in an increasingly responsible manner over the last year and more. And although she talked about some things in the past that she's no longer talking I have no idea what if she could shape the world in any way she wanted she would choose but I think she as the leader of Taiwan is looking to maintain as she said the status quo of peace and stability and not to create cross-Strait problems.

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Official statements by Beijing since Tsai's inauguration have given her some credit for taking steps forward from previous positions. Not only did the initial Mainland statement on the 20th rather demeaningly in my view give her an incomplete test grade but it insisted that failure to directly endorse the fact that Taiwan and the Mainland both belong to one in the same China would have negative consequences. So it didn't attack what she said and said yeah not bad so far but it made clear where they wanted her to go. And beyond that the Taiwan affairs office spokesman about a week later a little less than a week later talked about the issue of principle regarding the nature of cross-Strait relations. That is the nature of the relationship between Taiwan and the Mainland. Being a mandatory question that must be answered and could not be evaded.

So the Mainland hasn't changed its fundamental position but it is perhaps waiting to see how this will happen or what will happen. I was encouraged frankly by the statement by the TAO spokesperson by what I hear other senior officials are saying that she if she can't say the words she at least needs to give a clear answer with concrete action. And this is something that I think President Tsai has indicated she wants the Mainland to judge her on, her actions not some formula that she really can't go along with.

Now the Mainland's concern of course goes beyond declaring independence. It also goes to what they're calling cultural independence or desensitization or things like that. So this is not a once and for all kind of declaration that would solve the issue there. It's going to be a process and I think clearly it is going to take some time before we know whether cross-Strait relations will continue more or less along the same lines of the last few years or whether they will be seriously disrupted. We do know that already communication between the two so called white glove organization set and arrats had been disrupted at least in terms of arrats not responding to facts as coming in from Taiwan.

On the other hand, Beijing did go along with the participation of the Taiwan observer at the World Health Assembly this year and despite the warning shot it issued in terms of establishing relations with the Gambia it hasn't broken the tasset diplomatic truce so far. I would argue that in thinking about how it is going to approach these questions in the future. Beijing's got to think not only about what signals it wants to send for the short term but also the impact on long term relations on how people will think about the cross-Strait relationship not just today but over time.

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Now particularly in light of that longer term perspective what one can hope we are witnessing is the beginning of a process that eventually will lead to reaffirmation of peace and stability including the preservation of most if not all of the institution relationships that have been developed since 2008. Another alternative of course is that they downgrade relations between authorities and try to maintain relations with the private sector. I think that's a difficult course for the Mainland to try to follow but that is if you took what they've been saying as their chart for the future that's what they will do if they are not satisfied with how President Tsai eventually handles the issue.

Now perhaps some further progress can be made in the course of implementing statements that have actually come from both sides including in Tsai's inaugural address about setting aside the baggage of history. We'll have to see. But while it is clear that neither side would benefit from a deterioration of relations on the other hand no one should take lightly Taiwan's commitment to preserve democratic processes along with peace and stability or the importance that the Mainland attaches to maintaining some kind of One-China foundation.

Obviously this isn't going to be easy nor would I say it's a conclusion that positive momentum can be maintained and slippage avoided. I guess I would characterize my own position at this point as being concerned but not really pessimistic. What I hope both sides will do is to demonstrate the greatest flexibility and creativity that can in charting a future course. Very frankly in my own view not only do they owe that to themselves but I think they also owe to the larger international community which has a lot at stake in the maintenance of feasibility in the Strait.

MS. DREYER: Thank you. I've been asked to talk about Taiwan's relations with other countries and I will start with the big one because apart from Taiwan's relations with the United States its relationship with Japan is probably the most important. It is Taiwan's fate either for good or bad to be positioned between China and Japan and this causes certain inescapable problems.

Relations with Japan in the Ma era were really bad. There were a couple of bright spots I'll mention but basically what happened here is Chiang Kai-Shek and Chang Jing Wu had very good relations with Japan paradoxically. Chiang Kai-Shek foreswore the need for reparations which the Japanese greatly appreciated and Japan and Taiwan had a common interest primarily Japan and at that time the ROC had a common interest in being very much anticommunist. So that was a binding force.

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Being a political scientist sort of we always look for water sheds and in this case what happened were events that occurred approximately about the time of Kien Un Mon. But 1988 you have Lee Dong Ve succeeding the Chiang dynasty and a very different kind of person as Shelley has gone into some detail about and Kien Un Mon the Chinese government having to put that down. We're just on the anniversary here which much has been made of in the newspapers both in the world and in the United States and the Chinese government at that point is no longer communist and it's has lost the charasmave the mal era and it seems to fall back on nationalism. And this nationalism is they don't really want to take on the United States at least at this point and it becomes very fixated on anti-Japanese persona and it proves very popular with a lot of the Chinese population.

And so you have a situation where as the Japanese relations used to be very strongly with the KMT the Republic of China. As Japan China relations deteriorate which they do in this period Japan becomes more interested in the green spectrum. Lee Dong Ve obviously is still on the KMT. So it switches its allegiance from sympathy with the Republic of China and the unificationists to sympathy with the at least status quo and possibly someday independence green side of the spectrum. There is no way given the unpleasant relationships back through history of China and Japan that Japan wants Taiwan to be part of China since it will put Japan's territorial waters and China's territorial waters smack on top of each other. I noticed the other day that Lee Dong Ve announced he's going to visit Ishigaki Island and that plays into this. Ishigaki is as you gather from the name it's under the control of Japan but it is really, really close to Taiwan. He's making a statement there. He's very good at.

Now under Ma these good relations between Japan and Taiwan took a very bad turn. Ma comes in with a unificationists agenda that means a tilt toward China and inevitably means a tilt away from Japan. And he had a reputation even before he took office of being anti-Japanese. He said this was a slander by the opposition party and so before he took office he visited Japan on what was supposed to be a fence mending trip. It turned out to be anything but. He went to Japan and he criticized the prime minister visiting the Yasukuni Shrine and then he also said that Japan needed to pay more attention to history which is a code word for apologize yet again to China. And there were actually demonstrations going on outside when Ma was making these speeches saying he was interfering in the internal affairs of Japan and he should get out. And luckily for Ma typhoon came up and it kind of reminds

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me of the kamikaze in the Mongol era and so Ma could say oh well I really have to get home to Taiwan because I have this typhoon to worry about and he exited. And the Guam Andon everybody declared the trip a great success, everybody in the Taiwan government even though obviously it wasn't and I think the Camtee government tried to make a few amends. They decided to provide a website in Japanese to that the Japanese could get news from Taiwan from a "unbiased source" and things like that.

So relations really, really were not good. At another point there was the Japanese ambassador equivalent in Tai Bay gave a talk in a private capacity and he said that Japan regarded Taiwan's status as undetermined which is actually true and Ma got furious. He said it was determined by the San Francisco Treaty, conveniently forgetting to mention that as a condition of Japan, China normalization in '72 the Chinese required the Japanese to repudiate the San Francisco Treaty. And it basically Cito was persona non grata in the presidential office afterwards and after a couple of months he resigned.

So that's a situation -- the Japanese response to Tsai's inauguration was very correctly formal. They "looked forward" to pursuing good relations with Taiwan on a people to people basis a non-government kind of thing. But there were already indications that things were going to change. In March i.e. after Tsai's election but before the inauguration a very important diet member Keshu Nobu Oh went to Tai Bay for consultations. This gentleman is no ordinary diet member. He is the son, grandson, grandnephew and younger brother of prime ministers and the odds are good that unless he screws up badly he may become a prime minister himself. So I mean it is not just a casual key diet members visit legislative member's kind of thing. He did meet with various important people including Tsai I believe for conversations. And then Tsai appointed two DPP heavyweights to top positions in Taiwan Japan relations. Frank Shi, Shi Jing Ping is going to be the ambassador equivalent in Tokyo. He is a former presidential candidate himself, very fluent in Japanese. Studied at Keo Dai which also happens to be Lee Dong Ve's alma mater. I guess the equivalent of the job Richard had AIT had the equivalent in Taiwan. She appointed Cho Ye Wren who is former vice premier and before that he was deputy head of the national security council so he's going to manage affairs with Japan from Tai Bai.

A third thing is that a defense conversation which was very active during the Lee Dong Ve administration and also in the Chang Jing Wu administration. This is the Tokyo, Tai Bay (Washington)

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dialogue was revived. It had its first meeting in Tai Bay at the end of April and I had an informant who attended and there were some pretty meaningful discussions there. Along with the usual fluff about HADR Humanitarian Assistance and Disaster Relief, some fairly substantive conversations about what could be done about common defense.

Now this is not to say everything is going to be wonderful because problems do exist. While some of them Ma's critics were ever were stirred up by Ma himself in order to make trouble before he left. For example, the Richard I think you mentioned the Okinotorishima issue. This is something Ma did not need to make a big stuff about. Fishing issues are ongoing issues in this area. Ma was able to, for reasons I don't have time to get into here, but he was able to conclude a fishing agreement with Japan in April 2013 in which each side agreed that for uncertain fishing things again I don't have time to get into the details but without prejudice to anybody's sovereign claims in the area. Now sovereignty isn't even an issue in Okinotori and so this would be easy, the agreement would say something like Taiwan's fishing fleet is allowed to fish in areas X, Y and Z and this has no bearing on whether Japan has an exclusive economic zone there or not. Lawyers like Jacques make a lot of money by working out the details. I don't think anyone has asked him yet but they should. Anyway you're able to take a lot of problems by being the only lawyer in the group Jacques. Anyway so that's one problem.

Another one is the comfort woman issue. Again it's hard to believe Ma wasn't stirring the pot on this one arranging for a showing of a film on this a public showing of a film on this and exceeding to the demands of a women's relief group in Taiwan to open a museum but guess what the museum won't open until October so it's now it's in Tsai's administration to deal with.

Another one and this is something Keshu Nobu Oh discussed in not only one visit but two and that is the Japanese government badly wants Taiwan to buy Japanese produce from Tohoku which is the area that was and four other (inaudible) that was effected by the nuclear meltdown. Now the Japanese government has gone to great lengths to certify the purity the non-radio activity of these products. Actually when I was in Japan you could see signs in Japanese restaurants that they have agreed to serve produce there and stuff like that. The people tend to be skittish about issues like this. The Taiwan population is already sensitized to this because of the wracked to Palmain dispute with the United States. So again that's a solvable problem and I'm saying don't expect there will be no issues but

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these are solvable problems. There is evident good will on both sides.

Now what about other countries? Some other issues one huge one is the issue of rendition. You have Kenya deporting 45 Taiwan citizens who were accused of criminal activity in Kenya to China not to Taiwan. Even after Kenyan courts had declared some of them were not guilty and that's an issue. And then after that Malaysia extradited 32 more to China in similar cases. Last week I read that there were a number of people in Turkey also in this bind that kind of dropped out of the news or I didn't notice the newspaper article so if anybody you know has any follow up I'm here to be educated. So that rendition problem is going to be a big one for Taiwan's relations with those countries. Please don't send those people. We have courts here as bad as the judicial system might be it needs to be fixed as Shel May said.

Another issue Tsai has is possible loss of allies. Beijing accepted the normalization of relations with Gambia a little while back and this reduces Taiwan's formal allies to just over 20. Opinions in Taiwan differ about how important this is. Gambia actually broke relations with Taiwan, pardon me the ROC in 2013 but the reason seems to be that the Taiwan government, the ROC government didn't want to make a payoff that the president had requested and he did this in a fit of pique and Beijing was actually surprised it hadn't been informed about that.

So now why is Beijing changing its mind now because Gambia actually had a no China policy in that or at least no China had a policy with Gambia in that period. So some people thought well this is a shot across the bow did Tsai Ying win. There was task that integrated during the Ma administration that China would not syphon off any more allies that may be at an end. What's going to happen next? We know conversations with the Vatican have been taking place and that sort of thing. So first of all we don't know what Beijing's motive was here it wasn't made clear. A second one is how important is this. I mean you lose a couple of countries like Gambia, well good if the PRC wants to pay their governments this in not necessarily a bad thing for Taiwan. And what Taiwan should really be doing is concentrating on building good relations albeit on a non-government to government basis with you will pardon me for saying this more powerful actors in the international system. Taiwan has been working very hard in the last couple of months actually toward the end of the Ma administration on visa free entries for reciprocal visa free entries which if you have visa entries with countries that's a sort of

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affirmation of the sovereignty of Taiwan. So things like that.

Just the next issue is yes it's a good idea to reduce dependence on China and how do we do that. We increase our relations with other countries. There is a new southbound under the Tsai administration a new southbound policy office one part of which is to increase tourism in South East Asia to compensate for China's plan to reduce Chinese tourism to Taiwan. This is very interesting because there is a website where you can look up the number of tourists from everywhere to Taiwan. I actually wrote it down. <http://admin.taiwan.net.taiwan/statistics> if you want to look it up. And although China said it was going to slash the number of tourists the number of tourists actually went up. I actually got the statistics here if anyone is interested.

Another thing that the southbound policy office is doing is there are conversations taking place about reciprocal arrangements between Taiwan universities and universities in South East Asia.

Next issue and we're getting to the end here. Maintaining and expanding Taiwan's presence in international organizations. This could be tough as this World Health Assembly issue shows. It should be said that even under the Ma administration which had argued that better relations with Beijing would bring more recognition of Taiwan internationally. Beijing was not very cooperative. Taiwan got an observer capacity attendance like Hong Kong which is everybody agrees even Hong Kongers who don't like it that Hong Kong is part of China and Taiwan's invitation was more restrictive even then Hong Kong's because Hong Kong doesn't have to get reinvited every year. This year for the first time the invitation referred to on the basis of the One-China principle. This is seen as a further goad Tsai to accept that 1992 consensus. And as I think Alan mentioned Taiwan did attend with its representative raising hackles back home by referring to his country as Chinese Tai Bay and not as Taiwan. And Tsai is saying that although she wasn't pleased that was "acceptable". Still this was better than in 2010 when a WHO document described Taiwan as a province of China and that was too much for even the Ma administration. There were no meetings between the PRC and the "ROC" for two years at least no public ones.

Now in sum Taiwan's international relations are problematic with Beijing very much calling the moves but with certain restraints. As Shelley mentioned coming on too tough when China comes on too tough to Taiwan so far this has strengthened the pro-independence forces or at least the

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anti-unification forces in Taiwan. It also has repercussions in Hong Kong where there are already restive elements, the umbrella movement protest and so on. And it also has a bad effect on countries already worried about Beijing's expansion into the South China Sea. And then another problem is the opposition party. Here I do look at the United Daily News frequently. The 27th of May describes Tsai's foreign policy and I wrote this down because I wanted to be so sure to get it correct, describes Tsai's foreign policy as clinging to America's apron strings, cozying up to Japan and keeping the Mainland at arm's length. Her thinking reflects her "first the world than then Mainland" and I thought well what's wrong with that. And reduces cross-Strait relations to regional relations I'm cool with that one too. Subordinating cross-Strait relations to great power diplomacy. Was it ever otherwise? An activist diplomacy of peace based on humanitarian aid, medical assistance, financial assistance and anti-terrorism. And then they conclude she is looking at a tight rope strung across a chasm which is a great metaphor but not necessarily the case.

Now again as several speakers before me have said the KMT is in bad disarray and it may not be able to block these policies as much it would like and I will have to close with another quote this one from my favorite philosopher Yogi Berra who said prediction is always difficult especially about the future. Thank you.

MR. WANG: I'd like to thank Brookings Institution and FPRI for inviting me. In fact, such gatherings are my preferred locations then doing deaning stuff. So I was asked to come and (inaudible) the prospect of U.S. Taiwan relations under the Tsai administration. I will give my bottom line first and then develop my arguments. I think overall we will see this relationship largely positive. It will take some time to adjust. It will take more skills to manage. It also may be higher maintenance than the previous 8 years. So this is my bottom line.

So I'd like to begin with entertaining a thesis. See if there's some truth in whether you can agree. I would argue that the U.S. Taiwan relations in the last 16 years or maybe the last 20 years have been maintained by the basic policy framework which you can consult the State Department website. But the impetuses for the calibration of this basic framework. I'm talking about the three communiques and the Taiwan Relations Act and so on have come mainly and initially actually from Taiwan. So if you can see the U.S., Taiwan, China relations as a triangle and then of course some

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people in this room are familiar with the literature on the so called strategic triangle and all these different scenarios like a romantic triangle or ménage a trois and so on. But if you think about the relationship as a triangular relationship or you can think about it as a sequential relationship. In other words, in this triangle these three actors who makes the first move, how makes the second move and who makes the third move. My thesis is that if we look back to the Teng administration and the Ma administration of course now the Tsai administration is actually Taiwan that makes the first move and then China makes the second move and the United States makes the third move and let me explain. This is of course abstract on the reality as reality is of course much more complex than this.

Take the Teng administration for example from 2000 to 2008. I would describe Taiwan's domestic policy which is the first move is primarily a Taiwan discourse. Essentially as University of Southern California scholar Daniel Lynch described that in Teng's administration there had been a very aggressive nation building project. And this can be seen in many aspects such as the revision of the text books, the change of the names of state enterprises from for example China Ship Building to Taiwan Ship Building and so on. Or people have called that a sort of salami tactic in desensitization.

Of course when Teng was inaugurated in May 2000 there had been initial hope that for the first time the DPP controlled the executive branch and they cleaned up some of the corruption of KMT which had ruled Taiwan for 55 years and a lot of people placed their high hope and of course people were less familiar with his cross-Strait policy. In fact, as Richard set out at the beginning that the DPP probably themselves was surprised. So a lot of people probably some people in this room as well worked very hard to ensure that he said those words of reassurance which are known as the Sybil ye Mao or the four nose and the want not. Basically it was a conditional reassurance. But after the initial two years of good will or sort of olive branch extended to China which was not reciprocated and China from the very beginning was very distrustful of Teng and the relationship went south starting 2002. Then we have a period of tension ridden cross-Strait relations. It became so bad that the Teng administration was seen as the trouble maker or the one that wanted to change the status quo and of course a culmination was former President George W. Bush's remarks in front of the visiting Chinese Premiere Wen Jiabao.

So the U.S. and China basically "co-managed" Taiwan and U.S. Taiwan relations during this period was very difficult. And if you can use a so called transit diplomacy as an indicator Teng initially

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was given the transit through New York City which was of course was very high profile, very important and all that and in the end he was barred even from Honolulu so he decided to chart his own course so to speak.

And then of course it manifested in the international organizations. The Teng administration also took a more direct and "confrontational" approach for example applying for the United Nations General Assembly as a new member under the name Taiwan or force the vote in the World Health Organization which Taiwan lost badly.

So when Ma Ying-jeou came to power the U.S. sighed a sign of relief because of course Ma Ying-jeou I would argue that his domestic policies was an ROC discourse or at least that ROC in Taiwan discourse. He did not restore the national unification guidelines but nonetheless he could rationalize his domestic discourse that the ROC was this part of One-China except that this ROC in Taipei was the real China. So for example he developed a lot of attention to the 70th anniversary of the Sino-Japanese War which the DPP probably did not care very much anyway. And then he in his inaugural speech he talked about the three no's and he guaranteed that in his term there would be no unification, no independence, therefore there would be no use of war and he basically spent a lot of time restoring the mutual trust with the United States and for the cross-Strait relations he quickly accepted the 1992 consensus as a political basis for resuming political dialogue with the Mainland. Although here I must say that the so called 1992 consensus which was very much in the center of this, a lot of attention whether Tsai actually made that utterance or close to it during her inaugural speech was actually a term coined by Su Che in 2000 post factual to refer to the political understanding reached by two semi-official bodies in 1992. At that time the two side of Taiwan Strait only dealt with the so called pragmatic matters. Of course you know the distinction between pragmatic matters and political matters may be blurred but when they KMT returned to power they just say the 1992 consensus was the basis of political and of course cross-Strait relations advanced very quickly and that was under the 1992 consensus. They have no problem with that.

So the United States concern at this time was no longer that Taiwan would be so provocative that it triggered a war in the Taiwan Strait that the United States would be dragged in to fight a war that it did not want to. During the Ma administration there was actually a country concern and this

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concern was actually first raised by the excellent scholar Nancy Tucker in 1992. The national interest article that in the past we have all worried about China using force against Taiwan but now what if Taiwan willingly joined China should we care about that. I think that article was the first one to raise this question. And then there was certainly some people who felt that in the Ma administration the United States play a much more secondary role and its role was less clear than before. The Ma administration also took a less confrontational approach when it comes to international participation. Rather than knocking at the door of the UN General Assembly it called on the United Nations specialized agencies and rather than seeking membership it's so called meaningful participation. He had been criticized by his detractors as pursuing a China first strategy.

Now and of course in the Ma administration the basic strategy could be summarized as (inaudible) or pro U.S. maintaining peace with China and friendly toward Japan. If you understand the sequence of those three sets of important relationships to Taiwan, then you can understand the priorities his administration plays in that. And June already gave an excellent presentation of the perceived change of the Tsai administration whether that it relatively importance of those three sets of relationships would change under the Tsai administration.

Now to Tsai administration. It is only two weeks old or maybe a little bit over two weeks old and the initial signs suggest these of course are very preliminary that in terms of her domestic politics there are competing impulses within Taiwan particularly from her own party that want to maybe refashion a Taiwan first discourse. However as one of the speakers already mentioned that Tsai is very smart. She's also very skilled at managing these differences so I don't expect that the domestic politics in Taiwan under the Tsai administration would have the same kind of provocative external implications and the Teng administration.

However, because Tsai had not completed the unanswered question sheet as Alan mentioned that Beijing has decided to maintain a code of peace with Taiwan and what does that mean. Well obviously Tsai is going to focus on domestic policies. She is probably never going to fully satisfy Beijing and then this is also at the same time that Beijing has become more powerful and more insistent on her political demands on Taiwan. So this leads to my discussion about the U.S. Taiwan relations under the Tsai administration. I think that unlike the Ma administration the Tsai administration will actually need the

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United States more and it is more likely to make more demands and this might present some challenges of maintaining this relationship. If the U.S. Taiwan relations were indeed as they said the best in 60 years due to the low maintenance, low expectation and so on I think the expectations will be higher at least from the Taiwan side. I don't know about from the U.S. side. Is it possible that Tsai will actually move closer to the U.S. and Japan then to China? Is it possible that Tsai will actually (inaudible) and put at the very distant three?

So the question for the thesis I really said at the beginning I argue that in the last 20 years it was Taiwan that made the first move, China made the second move and the United States made the third move. I argue that U.S. policy framework basically still worked but it has been very skillful in calibrating to restore a status quo that is favorable to the United States.

But looking into the future should the United States become the first mover? Should the United States actually make the first move? If that is the case what will be the conditions under which the U.S. will do that? That will involve a reassessment of Taiwan's role and the contributions in U.S. broader strategy that will also involve a reassessment of U.S. China relations. For example, Taiwan's role in the Pacific pivot I had another article talking about why the U.S. was studiously silent about Taiwan's role in the Pacific pivot.

So let me just offer a few priorities or outstanding issues for U.S. - Taiwan in the Tsai administration. I think the first thing to do in when new players come to town is actually to understand each other. What I mean by that is that the two sides need to engage in an immediate and high level strategic dialogue. This dialogue can be conducted quietly but nonetheless has to be substantive and not just for show. The purpose of this dialogue is to clarify each other's true intentions and give each other strategic reassurances. The purpose of this is actually to alleviate the classic dilemma in alliance management. For the smaller party they're afraid to be abandoned by the more powerful state. For the powerful state they are more afraid to be entangled by a war caused by the lesser state.

So people know that President Tsai is going to transit through the United States very soon probably in a couple of weeks to Panama and Paraguay and I'm sure that there will be opportunities on that trip or before or after that trip for the security teams of the United States and Taiwan to clarify each other's intentions and to set out the list of requests from each other.

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And then it is very important for the subsequent policies to follow from these renegotiated
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CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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