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UNDERSTANDING THE PARTY SYSTEM
AFTER TAIWAN'S 2016 ELECTIONS

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Featured Speaker:

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P R O C E E D I N G S

MR. BUSH: Good morning, ladies and gentlemen. Thank you all for coming. It's a pleasure to welcome you to our program this morning, "Understanding the party system after Taiwan's 2016 election." I'm Richard Bush, the director of the Center for East Asia Policy Studies here at Brookings. And our speaker today is our good friend Yu Ching-hsin, who is a Visiting Fellow here this fall and we've been very pleased to have him as a colleague.

His normal position when he's not here is as a Distinguished Research Fellow at the Election Study Center of National Chengchi University in Taiwan. By way of a very brief introduction, politics in Taiwan has been an important factor, not the only factor by any means. In Taiwan's relations with China, Taiwan's relations with the United States, and in whether we have peace and stability in the Taiwan Strait and it's -- there's been an interesting evolution in how Taiwan politics has affected that which leads to the question what's the significance this year of the 2016 presidential and legislative elections in Taiwan.

Is it just reflecting a normal sort of change in sentiment among the Taiwan public that will shift back in a different direction or is something more important going on? We couldn't have a better person than Yu Ching-hsin to explain that to us so without further ado, Ching-hsin, do you want to go ahead and make your presentation?

MR. YU: Okay. Thank you, Richard, for your kind introduction and good morning, ladies and gentlemen. My name is Ching-hsin Yu from Taiwan. So you could be find that this morning could be a little bit different. I am more focused on Taiwan's policies inside now from the perspective from the triangle between Taiwan, US, and China.

Thank you for your coming this early morning and I know it's -- well, it's

cold outside and the change quickly today and also this week more like the relation between Taiwan right now. So thank you very much.

And before I kick off my presentation, I would like to take this opportunity to thank -- to express my gratitude to the people in CVAE and also the people in Brookings. Actually I enjoy quite a lot and have done quite a lot in the past half year here.

So in this presentation I would say that I will try to say something about the impact of the election, the 2016 election, and try to dig a little bit inside from the campaign process to see how the DPP won the election and all -- and the other way. Why the KMT lose the election.

So and try to elaborate some impacts from that to say that well, what will be the challenge for the new government in Taiwan and also why has some challenge there? Okay. That's what I'm going to do here.

Okay. This is very important, usually for myself, because whenever I have a speech outside I always try to say that why should be happy to talk about Taiwan. Okay, it's easy. It's a democracy and it's a democracy for Chinese. I don't deny that personally I am from China and we are ancestors from mainland China, too. We are Chinese society but we are Chinese democratic society, the only one.

Well, maybe somebody from Singapore might have a different idea but as a political scientist I would say that, well, we are democracy in Taiwan. And I should say that well, this democracy comes not easy because we fight and we have some causes in the past half century. So this is a very valuable one and the second is we are close to China because we have some, well, very fundamental disputes between the two sides.

We are not contrary but politically, that means the choice for the future.

So it's a very different from two sides. And this difference could also provide a very good textbook for the IR people, for the, well, (close relation) people and also in company politics, too, okay?

Also this is my favorite here. It's a good scenery. Do you know that's a small island in Pacific but we have a mountain more than 300, whose height is more than 30,000 kilometers? So that's either the snow in the mountain, a beach on the (inaudible) area and such and such and foot. You got to visit that. You got to visit there so and also people.

And here is a topic, the election 2016. This is (inaudible) to know about political power in Taiwan and which is quite unique because if you try to say something from textbook that well, how do you define a good democracy particularly from a new democracy, the (inaudible) of democracies and well, the diastic should be the well, according to the most popular one there are two turnover of political powers by (inaudible).

But we now engage into the third one. That means we are moving towards a new phrase of democratic consolidation in Taiwan which we have a very, very regularly rotation of party politics in Taiwan. And also this election is a good opportunity to examine the new regime between Taiwan and China because we have a totally different political party in power, different from the previous one the KMT one which is DPP. And these two parties, they're different themselves from the China issue.

So that's a good opportunity to examine and my presentation today which is to be focused on, well, (what happened in the campaign) process and what outcomes there and try to say that how can we define or how can evaluate the 2016 election and its impact ongoing (follow on). Okay? This is the purpose here.

Actually, I try to address three questions here, how to interpret the

election and the second is to, well, I'm trying to say the new party system the social base, that means who support which party and (inaudible). And also try to assess the new policy income for this new party system in Taiwan.

Okay. This is very background information for this one. In the year 2008 which the KMT won a landslide election under Ma Ying-jeou. And you can see that well, there is the green dock, the deep green in the south and the whole island is a very deep blue one. That means in 2008 the KMT won a landslide against DPP. And so that could be bring you different issues. Say that well, since the 2008 the KMT has such a strong advantage. How could a KMT collapse all so fast?

Okay? This is 2012 which the KMT continued to win the election but you can see the color is changing already. In Taiwan we put the blue as the KMT and put the green as the DPP. And you can see 2008 and also 2012 and then, come to the new one. It's totally green. And more importantly is that well, you can see that in this 2008 in the central area, that could be this area, that is a competitive area in Taiwan. That means the green and tip -- the green and blue they combat against each other in central Taiwan and the KMT continue to hold on the north, the DPP in the south. And in 2012 you can see a little bit well, that color is changing, and then, 2016.

And you can see that if you compare 2016 and 2008, well, that's a similarity. That means the DPP has tremendous lead over the KMT. Just as the case in 2008. So it also brings you different question about, well, how long can the DPP hold on given its advantage right now? That also means that in Taiwan party power change quickly.

Okay. That's not the issue here. And we try to find some -- this is my purpose here. I'm trying to some -- find some theory to interpret the election in 2016 and how do we decode? Well, there will be an underlying meaning of this election and

actually, as a political scientist in Taiwan, also, actually, I was educated in US. In Taiwan say that, well, we've got to invent some theories to interpret the development right now.

And the only good theory or the most popular theory should be that from (Ryoki's) idea of a critical election. That means, well, if we try to say election which will bring some, well, different pattern of alliance between party and the voter then critical election is a key concept to be used. And if we try to dig out some idea from (Ryoki's) ideas say that, well, he says that if you're trying to say a critical election for 2016 there are some criteria and the first one should be that, well, shift (inaudible) political power that's for sure.

And the other is that, well, there is a higher involvement by voters. That means people must participate overly not only some one particular sector but not the other. So that could be the election criteria. And the (inaudible) is that, well, that kind of change should persist for quite a bit long time. That is a very hard criteria for Taiwan because we try to check from the early '96 -- 1996 when the first president election in '96.

Actually the KMT in power from '96 to 2000. Then the DPP from 2000 to 2008. Then the KMT again 2008 to '12 to '16, then comes the DPP. That means we just change repeatedly of the power, the political party in Taiwan. So actually some people in Taiwan are also in academia too say that, well, who will define 2016 as a critical election? Maybe not because we go to -- we did with more time to see that how can DPP survive. And that's my, well, starting point of my research here is that, well, how can the DPP survive after election. Okay?

And this is the partisan support in 2016. You can see that a very interesting phenomena in the past two decades that, well, now only the KMT and the DPP just repress each other in elections but also you can see that in 2000 election that means the KMT first lose their presidential election in Taiwan. It was due to the internal

spring and in the year of 2004 it's a very close election and that means only 0.2 percent of difference of popular support in the election. Very, very close and also that election was well before the election date there was a gun shooting incident at that time. But the DPP continued to win the election.

So it was not easy to determine which party dominates in this election here. And then, 2008 when Ma Ying-jeou was KMT chairman he won the election by a landslide. It should be more than 58 percent of popular vote, the highest one in Taiwan in a presidential election but in 2012 it will decrease, and then, in 2016.

So well, one phenomena for this trend is that, well, the KMT might lose its power only when internal spring before 2016. But the case in transit is different. The KMT lose power, stripped, not any internal issues. They just lost the election. That means the DPP win over from our side, no problem at all.

So the DPP win the election without any internal spring from the inside the KMT. That means, well, the two party at least the DPP has become more and more strong and more and more stable in Taiwan. That is the, well, the stronger party right now. And the (inaudible) actually has been high over the past decade.

More than 83 to 66 percent and it's decreasing but it's good to decrease a little bit because sometimes we are too sentimental in presidential election and the people just get high in Taiwan and, well, in the 2016 election not a case of (inaudible) in the US this year. The result is pretty much predictable, yeah, because before the election of 2016 everybody knows that, well, the DPP going to win. And the problem is how the margin will be but in the case that we do see that Taiwan is a country without using compulsory voting regulations.

So this high (internal rate) is rare in democracy and it's good that we have a little bit decrease. But maybe 60 percent, more than 65 percent is quite regular

maybe in the future but in the past we are quite happy to have been a high (internal) rate here. And the previous discussion is more focused on the (macro) one. That means that macro electoral data and that could show you some idea about how parties and the picture of political party in Taiwan.

And then, come to the different scenarios, macro one. Macro means one individual's party attachment. That means how individual citizen support a political party and that picture here is from the mid-nineties, from '94 to the year 2016 here. And you can see that, well, the whole picture in the past decade shows that, well, a decrease but still in the relative majority is independence or the parties at neutrals.

Here we define independence, that (inaudible) means that they don't vote. They just say that they don't attach to any political party in Taiwan. Well, it's understandable to say that, well, in Taiwan, people they don't like political party. Historically, there is some story there that, well, only one KMT as a (inaudible) party in the also (inaudible) period. Political party is horrible and that means, well, politics is dirty.

Well, when I was a child, my parents told me that don't step in politics but I was mistakenly to, well, register in political science department so whatever. Anyway, when I was talking before that, well, we don't participate in politics because we have the White Terror experience, we have also terror experience so tat that time. So don't get involved.

So if you mention that in early period that the data only show after '94 but if we try to dig up some more earlier data that we will see that people are really, really distant from themselves from political party. But by saying they have no party label that doesn't mean that they don't participate. Actually, they participate.

That's the reason that we have a really high turnout rate here, okay? You can see that the relative majority will be the parties in neutral and these people,

actually, I should say that there are two categories. The first one, they are less educated and they don't participate. They are apolitics. They even anti-politics. But they participate because they are mobilized; motivated by the politician, motivated by their friendship, such and such, so they participate. And these people in Taiwan, those low-educated and deep in the rural area, these people, well, around 10 to 15 percent. And the others have of individual of independence. They are highly educated. They are really informed.

But they don't carry out any party label. They just participate. And they criticize politics. And these people they always try to participate in the election and these people they might, well, quite autonomously DPP supporter or anti-KMT supporters during a certain period.

Okay, so you can see that the period of the -- sorry. The percentage of the independents they are really high in past. And then, we have the KMT. Then in '86 we have DPP. So after '86 well, the party label becomes a kind of taboo again. So it can more and more popular and is quite a usual one.

And you can see that the DPP is a green one and the KMT is a blue one. So the DPP is in the increased trend and the KMT is, well, a little bit up and down and right now it's a decreasing trend. And I think the critical point for the KMT is around the, well, the second half of the 2012. That means the second turn of the Ma Ying-jeou presidency when at that time the KMT decreased and fall behind the DPP. And that's a historical one for the DPP to in action at the time.

So and the other minor parties, actually, we do have other minor parties such as the PFP and also the New Party and also the TSU, Taiwan Solidarity Union. And these parties, they matter around the mid-2000s. But after the mid-2000s, well, they just decrease. They decrease because we change our electoral system for the

legislatures. So they are not able to succeed as they did before in state elections.

So, so far you can see that after 2008 basically it's a two-party system in Taiwan and you can imagine that if we didn't change the party system, if we didn't change the (inaudible) system or the political structure will continue to be a two-party competition in that one. And one other reminder is that, well, this one (inaudible) one, this one is the New Power Party which emerged in 2016 election. And this one is a new one and we deserve a little bit for a discussion later on this one.

Okay this is the macro one and the (inaudible). And this complement data set from the 2016 post-election survey by the Taiwan's election and the democratization study. TDS 2016. And you can see that, well, my analysis for this social place of KMT, who support the KMT?

Well, the college educated here, well, in the education label there is a primary school and below, junior high, senior high, college edu -- university and graduate above. So you can see that the KMT is around, well, high educated but not the highest educated people. There is college people there and civil servant, that's for sure. And this is the KMT stronghold all during the past half century, and Chinese identity and also the pro-unification people.

By contrast, you can see the DPP one. You can see that, well, young generation here. It depends on your definition of young generation. When I finish my graduate student here back to Taiwan I was young but no more. So I am outside this category but for these people who below 40 years old, they prefer to support activity, and also for the low educated and I should say that this also get the basically mobilize to elect.

Yeah, and I should say maybe before 2000 this low educated, they are power base for the KMT. That means they switch around the year 2000, okay?

And then, high educated and also professionals, laborers, farmers, students, and also in the central area, in the south area, and the (inaudible) and pro-independence. So you can see that the last two categories about identity issue is more lifelong period of issues. That means they are -- they carry on this feedings and sentiment quite a long time so it's not easy to change.

And this is (inaudible) that after my analysis that, well, I try to figure out what are the important factors in Taiwan and in the 2016 election you can see that, well, the first one is incumbents' performance. That means Ma Ying-jeou's performance matter. And it's a matter of diversity to the KMT. That means people are not satisfied with Ma Ying-jeou's performance over the past eight years. Because according to our questionnaire we ask how do you feel about -- are you satisfied with Ma Ying-jeou's performance in the eight years as a president in eight years?

And actually very poor. Yeah. Maybe you have some information about the opinion poll during the period that is only down to nine percent of popularity vote or approval voting from that. But it's well -- so you're unable to imagine, well, the 9 percent president compared to, well, 70 or 80 popularity in 2008. So that's only eight years that decrease is happening.

So people really don't like Ma Ying-jeou during that period. And also candidate (inaudible), that means the candidate in 2016 should be the Tsai Ing-wen from the DPP and Eric Chu, Chu Li-lun, from the KMT. Actually, people they don't like Chu Li-lun or they like Tsai Ing-wen even more, far more than the (leader).

So this matter it continued to influence people's mind in the election and the other third issue, identification and the preference of independence and unification issue and the social -- and the self-identity also matter in the election. That means people who identify the KMT, well, likely to support the KMT that's for sure. It's a matter

of course. And the people who prefer the DPP, (identify with) DPP, they will vote for Tsai Ing-wen. And people who prefer to take a stand on unification, they vote for Chu Li-lun, the KMT, and pro-independence vote the Chu Li-lun, sorry, vote for the Tsai Ing-wen of the DPP. And also self-identify, people identify themselves Taiwanese which is a very high percentage vote for the Tsai Ing-wen and the people who identify themselves as Chinese or dual identity, they are likely to vote for the Chu Li-lun.

So I should say that the last three categories, that means party ID, and also unification issue, and self-identity issue, they are quite conventional (inaudible) in Taiwan's electoral studies. Say that well, these three fundamental (inaudible) try to depart from party difference. You can tell difference between these categories. And the first two, incumbent's performance and also the (inaudible) is quite shortened period factor. And these two factors, well, matter in the 2016 election, okay?

And you can see that there are also some story before in this (inaudible) because the KMT they typically do produce good candidate in the beginning and they switch different candidate here down to the end of the election. So that also caused some problem for the KMT.

And this is the issue, campaign issue in Taiwan. Very interesting one is that, well, I try to compare 2016 and 2012. 2016 (sic) is the year that the KMT continued to win the election and 2016 no. You try to compare these two elections to say that, well, what are the negative and positive in terms of issue politics in Taiwan. You can see that the economy, (inaudible) social welfare continue to be the most important issues.

If you ask people that what's the main (political) issue in this election? Well, from the early period to now economy. That means we needed to develop (inaudible) in order to have a good economy for Taiwan. And that hasn't changed for the past two decades.

But in academic analysis, well, economic issue sometimes significant, sometimes not. Yeah. So still there is some other issues, for example, close (inaudible) issues, and also social issues. And you can see that, well, from historical perspective the KMT has advantage on close regulations issues that's for sure.

And the KMT has more advantage on economic development issues but not the social welfare issue. The DPP has tried to focus itself from the beginning on to say that, well, we got to pursue a social way of society from early period. So the social issue has quite, well, occupied by the DPP in the beginning.

So if you try to see some issue policies in Taiwan say China issue with DPP and economic issue with the K -- I'm sorry, China issue with the KMT, economic issue will be also the KMT but social issue the DPP. That's quite stereotype party image in Taiwan. And in 2012, actually, you can see, well, there could be normal picture for this one. But in '16, well, the whole picture change.

Even the economy issue goes to the DPP and the conflict continue to be the KMT and social welfare very strongly in favor of the DPP. And the (new) issue. Actually, I don't see this a real issue or not because this is new one which is proposed during the campaign period by the DPP that we call the sovereignty issue. Okay?

And actually sovereignty issue is -- has come from, well, a different scenario between Taiwan and China's relations. And the DPP try to use this issue to attack the KMT.

Okay. You can see that in 2012 the KMT was quite comfortable in terms of (inaudible), economy and sometimes comfortable for social welfare but not the case in 2016. Only close relations exist continue to be the KMT's one. So you can see, well, this one it's a very easy one to tell that, well, there do some changes of people's image on the party's capability, well, the party's competence to deal these issues, okay?

And this also explain, well, partly explain why the KMT was defeated by the DPP. And this one, DPP how they won the election. Okay, you can see that, well, if we try to recognize that KMT continued to have advantage and close relations, then in this election, actually, the DPP does not suffer from close relations because the DPP has quite successfully transferred or neutralized the close relations, the negative impact on the party. For example, Tsai Ing-wen before her running the president, her visit to here to the CSI's, he tries to say that, well, my (inaudible) policy is status quo, is to maintain the status quo.

Actually, this is a very bold move for the DPP but actually, it's quite successful because try to neutralize the negative impact from the KMT say that, well, it's a political party pro-independence that could produce some, well, uneasy between the two sides of (Taiwan Strait). But her insistence or her argument on status quo, well, try to pacify some idea about people who worry about the possible conflict between the two sides. And this strategy is also reasonable to the case of 2000 when the DPP candidate Chen Shui-bian tried to elaborate a new one, they call is the new third way, or new third middle way. (Speaking in Mandarin)

That means well, even the DPP won the election, DPP will not pursue independence. So actually it is similar strategy. And also similar to the case of Ma Ying-jeou in 2008 when he was running the president say that, well, no unification, no independence, no use of force between the two sides. That also tried to conceal the KMT's ideology of pro-unification by a more neutral one status quo. Even though we are not able to define precisely what the meaning of status quo but actually they just say so.

And I should say that Tsai Ing-wen, she's more capable to interpret here -- her idea of (status quo). Say that, well, my status quo is different from Ma Ying-jeou's status quo because we provide two directions of status quo. That means you can

either choose independence or you can choose unification. It doesn't matter but in her interpretation that Ma Ying-jeou's status quo is only one dimensional. That means to unification.

So that would be a little bit, well, skillful in the campaign and try to reduce some tensions of position of this pro-independence issue. And also try to introduce the present social welfare issue and economy issues here and more importantly, this kind of period is attached to the (inaudible) issues because when the KMT's companion, (KMT always) says that, well, all the past eight years we have a very connection with China and we have a very great economic interaction with China so we do provide some goods for the Taiwan's economy.

And in the eyes of the DPP they try to transfer that, well, yes, we are not denying that kind of economic bonus from Mainland China but the problem right now is that we got to use the bonus adequately. That means to correctly distribute these bonuses not to those business enterprise but to the people in Taiwan. So you got to deal with the increasing issue of income inequality, low wages, and the (inaudible) issue such-and-such.

So that kind of economic bonus from Mainland China our close relations was transferred into, well, you are doing good but not good enough. And we have a more serious problem right now. We've got to take on this. Okay? So and this one also closely related to the DPP's own issue on social welfare because that's quite skillful and also quite to create new issue about sovereignty and is to say that, well, actually, if you can remember a little bit say that, well, before the election there was a (inaudible) meeting or (inaudible) meeting.

And that create a new image for that. KMT is good at close relations at least with economy and also peace and stable development in (inaudible). And this is

positive for the KMT; continue to be on close relations. But the KMT -- the DPP try to say that, well, even you have good relations with Mainland China but China needed to answer to Taiwan internationally. We are not able to participate in international community organization and such-and-such and also your own -- your former present candidate, Hung Hsiu-chu, she mentioned about the one China same interpretation which means, mind your status quo is changing already and it create a very deep concern about the, well, the KMT is going to cooperate with Mainland China that could expense of the (say of the Taiwan) sovereignty. And also the issue we call here (inaudible) issue is that she is a (inaudible) in Korea and when she was interviewed in the Korea interview -- in the Korea TV he -- she waives the Chin -- the (inaudible) on the TV.

And this kind of action was criticized by China particularly from the (inaudible) of Chinese people. And she was forced to apologize in front of TV and was broadcast in Taiwan and that was one day before the election. And that will also create an image that says that, well, you -- when the Ma Ying-jeou still praise that we have a good relation with Mainland China but still we are isolated, we oppressed by Mainland China internationally, we are able to speak up Taiwan. So that creates so many issue but again, I do say that this issue is really with China and this sovereign issue is just, well, the first appear in this election and it affects still to be observed in the future.

And this is the -- let's go here, okay? And this also explain why the Taiwan, (inaudible) maintains this quote because these two might together (inaudible) status quo. That means status quo, maintain the status quo and decide the future will stay forever. And this -- the green one is for independent. The red one is for unification. So you can see that, well, things will continue over the past three decades continue into the majority and it's more than 56, even 65. So it depends on different scenario in this one that will put every candidate in Taiwan (everyone here) trying to locate himself or

herself in the center that means status quo and that could be also represent a very stable scenario in Taiwan so that in terms of close relations there is the only president you can go.

And in reality, we can see here condition for independence or unification and you can see that, well, this one very interesting. People in Taiwan they don't like unification. And relatively they are more prefer to independence (inaudible) depends on something. For example, you can see that the condition for unification, the best one, should be this one.

All sides practice democracy. That means the true democratic regime across the (inaudible). Now you can try to unify. And the last one, condition for independence, well, military confrontation matters, the concern of this confrontation matters quite a lot. That means if there were not any military confrontation between the two sides, why not go for independence?

And but still there is some concern of army -- military confrontation say that, well, try for this one. So actually, this condition is able to explain why so many status quo there. So status quo is a rational choice for Taiwanese. Sometimes it is not that ideological. It is not that sentimental. It's a calculation which one is best for the people right now. And this is -- I'll try to say this one.

Okay? And this condition, this issue, also try to tell that, well, unification in Taiwan is getting more and more remote to some degree, yeah. We've got to admit this one. But there is some hope to work (inaudible). And this one, this a little complicated and this one is interesting because this one we try to set out some conditions for independence.

And this one, we try to (inaudible) the status quo. The meaning that we just discussed that we have more than 60 percent status quo and it's not easy to define

the meaning. So we try to say, well, we ask the people that when they say a -- when they (reply) they are status quo. We can (inaudible) here, second preference, and then, there is some people that say that, well, my second preference continue to be status quo and then, we try to ask it another way. What's your least (inaudible)? Well, what's the option you don't like most?

And then, (inaudible). Well, this figure tried to provide more detail without any conditions about their real intention about independence or unification. So you can see that from the left side you can see those people who pro-unification is the red ones that, well, around close to 20 percent. That means this one -- this one is unification as soon as possible. This one is maintain the status quo and unify (inaudible).

These two together are one (inaudible) here this one is (inaudible). I don't -- and I have (inaudible) this one. But just the name, status quo and anti-independence, okay? Because we have the least preference option for this one. And on the other side you can see that this one independent as soon as possible and maintain the status quo and independence later.

So around 20 percent. And this one maintain the status quo and anti-unification 20 percent. So those are (inaudible) say that, well, if we try to provide good answer, not good answer, a quick answer about what the people really think in Taiwan about the unification issue, I should say that, well, more are leaning to independent than to unification but not a decisive comparison, okay?

And this is the try to (inaudible) and how about the perspective for the new government is that, well, I should say that economic revival is challenge because Taiwan, actually, I should say that you will compare to other third way democracies. (Taiwan's) democracy is okay but the problem is that we have a very good record in the past decades of our economy. So we are not satisfied about our current economy issues

particularly we are being slow -- a little bit sluggish or very low -- other -- on the economy here and also closely (inaudible) and the economy and the diplomacy also too. That would be difficult for the Taiwanese government and also social (welfare) issue needs to remain as finance.

I mean that's the challenge for Taiwan inside because we don't have enough finance resources to get this, for example, the aging system, the care system for the elder people and also we don't have enough personnel trained for that. It takes time, yeah. And if Taiwanese government try to put internal reform as her (inaudible) of governance then it's not easy because it really takes time to see the result.

And also social justice reform, pension one and also KMT assets. This one is important but this one will encounter with strong opposition from the other side. As I mentioned before that those, the pension system is targeting on public servants and the public servants, they are stronghold of the KMT. So well is the issue of social reform but easier to be turned into a partisan issues on this one and also the KMT SS is also a direct one.

And I should say that for the social (inaudible) issue is the key element for the Taiwan government but it could be also the potential out beaten by other parties not only for the KMT but also for the DPP to be more and more deeper and more broader social reform. But it's not easy to finish that because we don't have (inaudible) resources, okay? And this is the approval rating of Tsai Ing-wen after her inauguration in May.

You can see, well, it's a, well, decreasing this one. That is fine and (inaudible). So it's very short honeymoon period of her time and right now, well, more criticism than praise for the government. And the other important issue I should say is that this one, confidence, trust, if you trust the government then, well, maybe quite crisis

for the new government, too. And people, they trust in the beginning but, well, the trust decreasing.

Maybe not as serious as the approval rating and but you can see that the not trust proportion is increased sharply and constantly. So I'm not sure of this man's survey but, well, I don't have any good answer on this one. Yeah.

And the final conclusion is that, well, I try to say it's not easy to say that Taiwan is enter a new (inaudible) dominated DPP. It really takes time and also there is some fundamental (inaudible), for example, the party's indifference and sovereignty and the unification issue continue to be important in Taiwan and some resources for Tsai is not easy to get and also for the new party, I forget there's a new party, actually, it's a political party closely affiliated to the DPP but because they have a very (inaudible) social base. That means those young generation, those professional, they are also support for the new party so (inaudible) New Power Party, NPP, and that could be create a different issues say that, well, the DPP and the NPP they are allies but sometimes they will compete against each other.

And that could be also create a difficulty for the New PP to develop further because it's not easy to compete against a major party under current (inaudible) system. So that will be a development for (inaudible) and the last one is that, well, personally I would say that the Beijing government is overcautious to Taiwan's status quo because when Taiwan says that we are going to (maintain status quo) that means we are not going to do anything to do unification or independence which could be relatively good for the Beijing government.

Okay. And there is a personal item here. Okay. That's all I'm trying to say. Thank you very much. Okay.

MR. BUSH: Thank you, Ching-hsin, for that really in-depth and revealing

presentation. I think I agree with your basic conclusion that it's too early to tell about whether this reflects a basic change or not but I think you've given us a lot of suggestions about what we should look for in the future. So I have a lot of questions but I'm going to defer in order to give people in the audience the best chance to answer questions and we have a little bit of time. So if you want to ask a question wait for the mic and identify yourself and go ahead and pose your question. So who wants to go first? Dan?

MR. MORIN: Hi, William Morin with Applied Materials, no worries. I know you -- the numbers aren't out yet but I'm just curious to how you think the approval ratings will look following the phone call?

MR. YU: Okay, I think it will be good for (Tsai), that's for sure because Taiwan in the past three months are quite frustrated since the (inaudible) IKO, and also lots of the issues, events in the international community, we suffer quite a lot. So people are frustrated. But when we have the phone call issue last week and I read the newspaper in Taiwan, actually, even the KMT does support that kind of phone call.

Yeah, and the reason that, well, they are not there to oppose that phone call even though they have some concern. So that's the, well, momentum in Taiwan right now. I don't think it's rational or irrational but it's just there. And the problem for Taiwan is that, well, ever since Tsai's inauguration, the Beijing government has been very harsh to this new government. That could create a difference scenario in Taiwan that means, well, the government is not that friendly to our new government. Then we should support the government more particularly in terms of cross-border relation issues.

So the approval rating is down, that could be cause the reform inside, the social reform. And also some frustration from outside and the phone call could be some kind of stimulus for Taiwan. Say that, well, at least we got some support. We got some support from the US and from the US is support our new government. That could be of

some concern, yeah.

So I didn't see any poll about this issue but I anticipate that that could be a little bit increasing or more, how do you say that, encouraging for the government, yeah.

MR. BUSH: Alan Romberg?

MR. ROMBERG: Thank you. Thank you for your remarks. Alan Romberg, Stimson Center. Just one comment on your last answer. I wonder if not the phone call but the aftermath of the phone call has changed opinion. My sense is that the government in Taipei has been somewhat reticent to be too far forward on this and the notion of being a traded object has caused, it seems to me, some reaction and not just by the government but also by media and others.

I wonder -- you can comment on that but my other question was on your very complicated chart with all the colors and so on, the only two that I noticed, I couldn't read it terribly well, of anti-unification were very small numbers. And yet, polls in the past have shown very large numbers of people who are against unification. (Audio drop) Did -- should I repeat that or did you -- were you distracted or did you get the point?

MR. YU: Oh, okay. Yeah, that one actually --

MR. ROMBERG: I was just surprised at the very small numbers of anti-unification that appeared on that chart as opposed --

MR. YU: In this one?

MR. ROMBERG: Yeah.

MR. YU: Okay. I don't (inaudible) a trick but we try to (inaudible) be more about how people think particularly those people who prefer to status quo in the beginning. Okay. And we try to say that, well, it's a third (inaudible) survey interview and you can see that this is first one.

That one, the first one in the top level the first one is regular distribution. You put, say, MSQ and LD, that means maintain the status quo and decide later, it's around 32 percent, right? And maintain the status quo forever, MSQF, 4 percent. This is the regular one and they're quite similar to our survey, every survey in Taiwan.

And then, we try to dissect these two categories into one more precise information. We ask these two categories, say that, well, what's your second preference? In addition, your first preference should be status quo, right? We ask their second preference. And then, you can see that the left side say that, well, lots of people will prefer status quo and decide later. They are distributed into maintain the status -- unification as soon as possible only 20 percent and maintain the status quo forever, 40 percent.

And then, independence as soon as possible, 24 percent. That -- but these are all from the 32.3 percent and a similar tactic to the, well, the other side. Maintain status quo forever in this one and still you can see those gray ones, maintain the status quo forever, and maintain the status quo decide later, which are to -- these two people what's your least preference, okay? What's your least preference in terms of unification or independence? And these two categories into the first one, for example, like that, unification as soon as possible or maintain status quo unification later, 62.9.

And still there are some independents in terms of (inaudible) unification 37 percent. Okay? Similar question also goes to the right side here. And then, you combine all the numbers together to the last here. Okay? And you can have a red one unification and a green one independence and still some gray area that really they don't like unification or independence at all. So they don't have a good answer on this one.

MR. BUSH: Alan? If you take the first row and just add up ones that are something other than independence, it's like 94 percent. So it -- that's consistent with

what you would get if you just ask the question are you for or against independence?

MR. YU: And this survey was conducted in 2016 -- 2013. So three years ago right now.

MR. BUSH: Are you going to do it again?

MR. YU: It costs a lot of money so --

MR. BUSH: I'm sure.

MR. YU: Anyway, it's a good experience to say that we try to (inaudible) because in Taiwan we also try to do some qualitative one. That means we interview people what do you mean by saying you maintain the status quo? And what's your definition of status quo?

And I would say it's -- I didn't put it here but our data says that, well, the status quo means here right now, a democratic system of market economy and the people are free to go everywhere. That's democracy. So if you want to unify or independence, you should not away from this point.

That means if you want to unify with Mainland China, we've got a democratic one. If you want independence, we've got to safeguard our democracy. And that's the principle for (inaudible) yeah.

MR. BUSH: Okay, another question? Woman right behind Alan and then, we'll go to the back right.

SPEAKER: I was just wondering about the role of Japan, how the deep -- Japan? Could you say something about Japan?

MR. YU: Okay. Japan is the, how to say that, the most favored country for the young generation in Taiwan but it will be changing right now Korea. Okay? And we do have some interesting survey for example that, well, in case there is an international baseball game, baseball is popular in Taiwan. And there are two teams

competing, Taiwan and Japan, which one do you cheer for? Taiwan for sure and the interesting, Japan and China. We cheer for Japan.

And Korea and China, we cheer for Korea. So to some degree that Japan is a good neighbor for majority of Taiwanese. So you can see that not only with tourists but also the Tohoku earthquake, tsunami in 2011 around that period, Taiwan donated lots and lots of money. Could be the highest donation (inaudible) to Japan.

So you can see we have a very close and affectionate relationship with Japan. Yeah, so I don't say any difference from myself but I would say that Japan has good image for Taiwan even though right now we have some harsh discussion about the nuclear contain for import to Taiwan. So that would be a little bit sensitive. Many we got to export it more after this event and try to see how people think but basically, I would have to say that Japan food and also Japanese drama is popular in Taiwan, yeah.

MR. BUSH: So a question in the back there?

MR. GABE: Thank you. I am Ken Gabe from CSIS. Thank you for, Professor Yu, your remarks and I have one question about the -- I want to follow the chart of the (inaudible) and so which categories the people, young people who have so-called natural independence? So are they categorized to the maintain status quo or the deep green categories?

MR. YU: Okay. Basically young generation (inaudible) two grid, okay? That's the first picture. And if you go deeper I'll say that they're naturally independent. Actually, this time has been ambiguous and some distortion right now in Taiwan. I would prefer to say that it's naturally self-identity as Taiwanese not that close to -- not that related to independence or unification issue.

Because we ask people, the young population, how they feel about themselves and how they feel (inaudible) about natural independent. Their idea is that,

well, their interpretation is that I was born in Taiwan. I grew up in Taiwan. Taiwan is the only country I recognize. So now that closely related to China but a strong identification to Taiwan and this self-identification can, well, expand to national identification that's for sure. But there are some finite difference between the two.

So I would say that national identification of Taiwanese, that's purely in the 100 percent for the young generation in Taiwan. And in terms of their political choice in the future, well, that's another issue.

And from the survey I would say that this young generation, they are leading to DPP so they are more likely to support for independence. But not that 100 percent responding to the party's (inaudible).

MR. BUSH: There's a question here and then, I'll go here.

MR. BROWN: Dave Brown from SEIS. Thank you very much for your comments. Many of the observers of the Taiwan election and myself included found the most interesting phenomena being the emergence of the New Power Party. You almost entirely dismissed them in your approach by saying one, their support base is essentially the same as the DPP and the DPP is a powerful party and it will overwhelm them in the future.

I wonder if you could talk a little bit more about this issue and delve into whether there are, in fact, some differences in the support base and the way the two parties, the DPP and the New Power Party identify themselves in the campaign. I perceive some differences over cross-strait policy and Taiwan's future. I also see some differences with respect to reforms and who is best able to implement reforms.

So I just appreciate your talking a little bit more about the New Power Party.

MR. YU: Okay, thank you. Will give me this opportunity because I just

to rush NPP. Actually, NPP is a young party and that's for sure.

So it's a party originally from the Sunflower Movement in 2014 and you can see that those people from college, highly educated, they are the high supporters for the New PP (inaudible). And the difference between the NPP and the DPP actually, also, rests on young generation.

We can have some idea and say that, well, from the opinion survey we can find that, well, younger generation they are split between NPP and the DPP and you can see that some portion of the young generation, they are more leaning to the NPP. The problem is that, well, this young generation they don't vote regularly. They will voice out but they have less action in -- on election day. That's the problem for NPP.

The second one is that NPP tried to differentiate itself from the DPP in terms of certain issues but not in close (inaudible). In terms of the social welfare issue, social justice issue, for example, it focused quite a lot of effort on say the (working hour) debate right now in Taiwan. They must (working hour). And it's more radical than the DPP. Try to address to lost labors and that's (inaudible) seat are not sure because the DPP has over won the majority in the legislative year.

So the regulation will pass according to the DPP's idea. So the better fear is not in the legislation but on the street. So the New PP will try to define itself as a socialist or a right-wing political party. Here right-wing means not a communist right wing but stay to -- by stating their interests to the (laborers), social workers, such-and-such.

So they trying to differentiate themselves from the DPP by this way. But in Taiwan, in the election you've got to mobilize the laborers. You've got to mobilize the students to cast their ballot but it's difficult to do that because the party, the DPP and the KMT, has quite highly penetrated into the workers' groups. So that's the difficulty for the DPP to -- for the NPP to compete against the DPP.

But still there are lots of opportunities for the New Party -- for the New NPP because the DPP is the governing party and it always suffer quite a lot of criticism and the NPP is very good at propaganda to voice out. So how can the NPP try to attract more people in the second one, I mean, of the election and prepare for the 2018? This is what they try to do because they can -- have already began to nominate their candidates in the 2018 and they try to find some highly educated, very, well, very persuasive candidate for themselves. So that could be a threat for the DPP.

But they will begin their strategy in local elections that means 2018. And 2018 the local election is easier for the New Power -- for the NPP to survive because the local election particularly for the election for the county counselors or (inaudible), they use multi-member (inaudible) system not single member district. So it's easier for the NPP candidate to get elected in the election and could expand gradually their power. But it really takes time elections, yeah.

MR. BUSH: Dave, I'm sorry, I didn't recognize you. I think one of my contact lenses fell out so middle distance is a big blur. So that's Dan back there. Okay.

MR. BUSE: I'm Dan Buse with the State Department and I have a question about the other party, the KMT. And I'm curious about what you think the prospect is for the KMT to become competitive again and particularly whether it has a new generation of leaders to do so. And in that regard, two specific questions. If disaffection with the Tsai administration grows is the KMT in a position to take advantage of it? And if the KMT doesn't become competitive, what are the longer-term implications for cross-strait relations?

MR. YU: This is a one million question that you are -- we discuss this quite a lot in Taiwan. And so far we are not that optimistic about KMT frankly speaking. In terms of (inaudible) issue, in terms of the social structure issue, in terms of the

organizational issues, so it's not good.

For example, right now the KMT leadership Hung Hsiu-chu, she was not fully supported by the KMT member and she tried to design a very, I should say that, very conventional candidate strategy towards Mainland China, too close, too close, which will create some uneasiness for the people, particularly from the people inside from the local Taiwanese in the KMT. And that's create a tension between the two sides.

So in terms of the leadership issues, that's a real concern here. In terms of organizational issues, I should say that, well, the DPP tried to, well, pursue that issue of KMT's illegal asset and that will destroy the (inaudible) of the KMT. And KMT is a (inaudible) in Taiwan society for quite a long time so but the penetration needs lots of resources to allocate. And when it came to (inaudible) was, well, too transparent or too limit that will create difficulties for the KMT to do that.

And also on the other hand, the DPP tries very hard to undermine the KMT grassroots. You can see that the DPP from the south to central and then to the north. That means those local (inaudible) even though they are not DPP affiliates but they help DPP in the elections. So that's a lot of caution for the KMT.

And also for the organization issue is that, well, KMT really is downsizing. And the downsizing I don't see any clear picture for the KMT to go. They just, well, lay off the people but they don't know what's next. But still there's some hope, actually, we have to be fair. Some hope is that, well, KMT really has more experience than the DPP in terms of cross-strait relation issues but unfortunately, I don't see clearly picture right now say that how will the KMT can take this advantage for themselves. That's my concern.

But really the KMT did have some issues, did have some advantage on the (inaudible) issues, and also, regularly or conventionally KMT is good on economy.

But right now I didn't see any clear picture for this one. They didn't propose any alternative against Tsai's idea about the economic issue or the social welfare issue. No, they didn't do that. Yeah, so it's quite a pity for the KMT and personally, I would say I am more anticipating for a strong KMT.

I mean, I am more anticipating for a two party which is very solid, strong, and competitive but at this time, the KMT is a little bit weak to some degree, yeah.

MS. ZHOU: Thank you. Janet Zhou from China Times, Taiwan. Just have a very straightforward question. It's about what you just said that according to the survey, actually, the unification is getting more and more remote. And I just wonder what the implication would be in the future not only near future but long-term for the cross-straits relationship. Thank you.

MR. YU: Personally, I would say that from the perspective of the Beijing government, the gov -- the Beijing got to recognize this truth. Democracy is a one-way. It's not reversible in Taiwan already. So if you want to unify Taiwan with different political system that's not possible. So that's what people are thinking in Taiwan. Say that, well, we are not able to unify with Mainland China right now because it's not a democratic one.

In the future for the Beijing government, the good way is that, well, at least status quo is good. That means if all the political party or the leaders for the party, they advocate status quo which is not the worst for the Beijing government. That means, well, at least they are not going to -- they are not going independent in the future. They try to maintain the status quo. That means the options still there.

That's one thing. There are issues for Taiwan. Actually, unification is getting remote and remote but I should say that if you try to track the people's affection to Mainland China, well, we don't have any (inaudible) toward China that's for sure. But I don't say we don't -- I don't think we have excluded all the possibilities say that, well, the

future cooperation because it really depends. In terms of the cross-relation issues is a more rational one, people have got to think about which one is most advantage for Taiwan.

So well, when Mainland China is more friendly to Taiwan internationally and also politically, that could be opportunity for talk about unification. We (know) this kind of the (inaudible) for Taiwan is not easy for Taiwanese people to say that, well, we're going to unify, we're going to (inaudible) to Mainland China. No, no way. That's the problem because Taiwanese people they just calculating, they just thinking, and sometimes they are waiting.

And my only concern could be how patient we are. That is a difficult answer, right? But anyway, I have no answer right now that how patient we are to maintain status quo but still, when I have a survey people say that don't do anything. Just stay where we are. Then it is -- and it is quite stable so I don't need to worry about that. Maybe, well, my students they get to worry about this one, yeah.

MR. BUSH: If I could add a comment? I think the low level of support for unification is at least partly a function of the PRC's formula for unification. One country, two systems has never been popular in Taiwan, never, and it's never going to be.

It's been around for 35 years. Maybe if there were some significant change in the formula then maybe people might have a different attitude towards unification. Then there are the issues of what kind of system the PRC used but, you know, there is the sort of PRC offer that's an important actor here.

MR. YU: Actually, there was one talk around the early nineties about some kind of formula like the EU.

MR. BUSH: Uh-huh.

MR. YU: That means Taiwan has its own (inaudible) status. But very close with China but this idea was ruled out immediately by not only by the Beijing government but also by the KMT government, too. So --

MR. BUSH: Mainland China tried a similar thing in like 2001 and it didn't last very long.

MR. YU: Yeah. So it -- yeah. Richard is right that it depends on the formula that the Beijing government tried to propose, yeah.

MR. BUSH: One more question, the woman right behind you? Right there.

MS. CHING: Yeah, hi. Tchia Ching from United Daily News. I have a question about the election in 2020. There's a rumor or a discussion right after Trump's victory that people actually wish the famous businessman Terry Gou, yes, can run for 2020. The other possible candidate is the Mayor of Taipei and both of them are nonpartisan.

So do you think there's a possibility to see a different picture in 2020 that there's more than KMT and DPP and how do you see the competition?

MR. YU: Okay, if Terry Gou is going to run, he should run for the KMT, right? Nonpartisan?

MS. CHING: Yeah.

MR. YU: Because there are two scenarios. Guo runs as independent or runs as the KMT candidate and certainly, the KMT is not that denying the possibility but I doubt because KMT has lots of people they try to run with themselves. So unless there is really a momentum to say that we got to win regardless of the cost, that means regardless he's not our people, we just want to kick out the DPP. That's possible but I doubt -- it's not that easy. And --

MR. BUSH: That sounds familiar. Where have I seen that before?

MR. YU: Taiwan and US is different, okay? Yeah. And about the Taipei Mayor Ko Wen-je, right, and frankly speaking I am a little bit worried about his second term, let alone his presidency in 2020. Yeah, so the reason for my concern is that, well, in Taiwan if you don't have a party base, it's not easy to win the presidential election. You have a (inaudible) as independent that time. It's not easy unless there is some internal (spirit) from major political party. Then the third candidate has some opportunity. Without the spirit of the major party then the third party candidate is not easy to win the election.

MR. BUSH: Okay. We've run out of time. Thank you very much for a great presentation. Thank you all for your questions. This is a story that will continue so stay tuned. Thanks a lot.

MR. YU: Thank you.

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