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THE CURRENT: What does Taiwan's presidential election mean for relations with China?

Monday, January 13, 2020

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PITA: You're listening to The Current, part of the Brookings Podcast Network. I'm your host, Adrianna Pita.

On Saturday, Taiwan's President Tsai Ing-Wen and her Democratic Progressive Party was returned to office in a landslide, in an election that largely turned on Beijing's increasing pressure on Taiwan to bring the island under the mainland's "One China" policy. With us today to discuss this is Richard Bush, the Chen-Fu and Cecilia Yen Koo Chair in Taiwan Studies at our Center for East Asia Policy Studies. Richard, thanks for being here.

BUSH: It's nice to be here, thank you.

PITA: Richard, can I ask you to start us off with a little context about what Taiwan's relationship with China has looked like during the Tsai administration, how this was different from the relationship under her predecessor, President Ma from the Kuomintang Party.

BUSH: That's a good place to start. Taiwan has an ongoing debate over the best way to manage the challenge from China. And fundamentally the challenge is that China wants Taiwan. It wants to bring it into its political system and its administrative structure and terminate the Republic of China, which is the official name of the Taiwan government. Tsai's predecessor, Ma Ying-jeou, thought that the best way to deal with the China challenge was to engage with China as much as possible to avoid provoking it, or creating fears on China's part about his intentions, and to create such a web of relationships that China would never dare go to war or engage in other kinds of bad behavior. That approach had mixed success, and the negative side of the mix was what led to Tsai Ing-wen being elected cleanly, along with her Democratic Progressive Party candidates for the legislature in January 2016.

Tsai Ing-wen is more cautious when it comes to China. In her party and in the population to an extent, people worry if economic engagement is too close, that political incorporation will follow. Moreover, Tsai Ing-wen refuses to play the Chinese game. The Chinese game is to get people it doesn't like to take the "right" position on certain political principles. And Tsai knows that once you agree to your principles, you're a goner. So she's been careful. She's tried to reassure, she keeps saying "I want to preserve the status quo." I think that China could have had a good relationship with her if it wanted, but it chose not to. So this election was really a referendum about President Tsai's approach to China as well as her approach to the United States. It had to do with domestic issues as well. Indirectly, it was a referendum on President Ma's approach to China, because President Tsai's opponents in this election

were really copying Ma's policies, and we've seen the result. At least for now, the Taiwan electorate prefers President Tsai's caution to Ma Ying-jeou's engagement.

PITA: On the domestic side of Taiwan's politics, back in 2018 at some of the local-level elections, the DPP actually struggled and experienced some significant losses. What were some of the other domestic policies that were at play in this election? How did the DPP come back from those losses in 2018?

BUSH: One of the reasons that the DPP did very badly in local elections in 2018 was that President Tsai had actually tackled some tough issues. One of the toughest was pension reform. Taiwan's pensions for government employees were going broke. President Ma tried to solve that and was unable to. President Tsai understood that this had to get done. This aroused a lot of opposition from the people you would expect to oppose this, the people who had sweetheart deals under the old system. But she got it through and the pensions funds are now on a more sustainable basis. But anybody who was hurt by that reform is going to be inclined to vote against her if he or she wasn't inclined to do that as well.

Another problem that Tsai and her party encountered was that she had run in 2016 on a campaign pledge to legalize same-sex marriage, and once they got into office, it turned out to be hard. Some people in Tsai Ing-wen's own party were conservative on that issue; other parties were conservative on that issue; religious groups were opposed. So, in the end, before the 2018 elections, President Tsai worked out a half-measure. Well, young people who had been the strongest proponents of same-sex marriage didn't like half-way. They wanted all the way, and so they tended not to vote for the DPP in that election. President Tsai got the message. They passed legislation legalizing same-sex marriage in spring of 2019, and young people came back to the DPP and President Tsai. It was the age cohort that was most strongly in favor of her.

PITA: What has the US relationship with Taiwan been like under the Tsai administration, and what does her reelection mean for that relationship going forward?

BUSH: The Trump administration has a couple of different policies at once concerning Taiwan. On the security and diplomatic side, the Trump administration has taken a number of new initiatives, not all of them public, to improve U.S.-Taiwan relations and in effect to give Taiwan more respect and credit for what it's doing. On the other hand, the economic agencies of the Trump administration have been most unwilling to engage in negotiations on issues that Taiwan really would like to make progress on, which would improve Taiwan's economic competitiveness and have a political benefit as well. USTR is hung up on market access for beef and pork; I think that can be solved in the course of negotiations, but so far, no progress. It creates an odd situation where DOD and the State Department are treating Taiwan as a strategic asset and the economic agencies are treating it badly.

Then there's some question about how loyal President Trump is himself to Taiwan. So far, it hasn't been bad. I think this election will encourage at least continuity in the trends we've seen since the Trump administration came to office. Perhaps some progress can be made on the economic front. In truth, as China views this situation, it seems they have a bigger problem with the United States policy than President Tsai. They believe that they've sufficiently deterred President Tsai from doing something really terrible, but they're not so sure about the Trump administration.

PITA: On the economic front, how has Taiwan been affected by the U.S.-China trade war?

BUSH: Depends on who you talk to. Taiwan's been very lucky, actually, because the core of its economy is in the IT sector, and Taiwan companies are effectively the contract manufacturers for Apple, and Dell, and HP. They manage the supply chain that runs from the West Coast of the United States to China and back to the United States. Pres. Trump never raised tariffs on IT products like iPhones and iPads and laptops. In fact, Taiwan benefitted to some extent because some Taiwan companies in certain sectors thought it was time to move operations back to Taiwan, which creates jobs. So, Taiwan's done OK. There's probably some specific sectors that have not, but so far, so good.

PITA: Have we heard yet any indications from China about how Beijing is going to react to the re-election of President Tsai and whether it's thinking about recalibrating its approach to the island at all?

BUSH: That's a very good question, because there's been some speculation that if Tsai Ing-wen and the DPP won re-election, we might have a war. China would be so frustrated at the results of this election and previous ones that they'd think, "oh, we'd better go for broke." I don't think that's true. The first word out of Beijing – which isn't the final one – but the first one is "this is a disappointment, but not a disaster." I think what they're saying there is, number one, there's going to be another election in four years, and that campaign has now started. Second, China has found a "just-right" approach between appeasement on the one hand and war on the other. And that is a combination of intimidation, pressure, cooptation, interference in Taiwan's domestic politics. That seemed to be going pretty well. China attributed the results of the 2018 local elections to be a validation of their policy. The results from Saturday should get them to call into question, first of all, that intimidation strategy and the formula that they're using to resolve the dispute with Taiwan, which is known as "one country, two systems." I suspect that they're not going to see this as a wake-up call to change that fundamental approach; they'll just double down and keep at it.

PITA: Lastly, that "one country, two systems" policy is of course also policy in Hong Kong. While Hong Kong's relationship with China is very different than Taiwan, those two do often look to each other. Are there any implications from this election for what's going on in Hong Kong?

BUSH: First of all, just to note that the protests in Hong Kong that started in June and have not yet finished probably more than any other factor brought about Tsai Ing-wen's political resurrection. The beginning of last year, nobody gave her any hope to get re-elected. It was the daily coverage of those protests and the police violence, the protestor violence, that made it very real for Taiwan voters what a too-close relationship with China might lead to. I think that people in Hong Kong, not just protestors, will look to the results of the Taiwan election and say, "this is what we'd really like. We only get to elect some of our leaders, not all of them. All the trouble we're having now is because China won't open up the political system and allow popular elections for all senior leaders." I think that other countries in Asia that have democratic systems will see this as a validation of their systems.

One interesting aspect of this election that's worth noting was there's been a lot of concern in Taiwan about Chinese disinformation generally and also directed at this election. The results should lead to questioning about whether those fears were justified. Maybe in an election that's not close, disinformation doesn't help you; it's only in a close election that it may have an impact. Maybe Taiwan did such a good job of sensitizing the public to the danger of disinformation and pushing back at specific

examples of disinformation that the society in a way was inoculated from the effect, and so in the end it had little or no effect at all. I have no idea what the explanation is, but I think this is a good test case of how a society can combat disinformation of this sort.

PITA: All right. Richard, thanks very much for being here and explaining this.

BUSH: Sure, glad to be with you.