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P R O C E E D I N G S

MR. BUSH: Ladies and gentlemen, thank you for coming today for our program on the Taiwan election. It's a great pleasure to have you at Brookings. It's a great pleasure to have my four panelists back. The election on Saturday I think surprised no one when it came to the presidential election because the polls had made clear.

I do think that as far as President Tsai is concerned, her victory deserves to be grouped with other sort of really outstanding comeback stories. Harry Truman, in 1948, et cetera. The results of the legislative election, which are on the back here, are also interesting. And I think we will get into that.

Our four panelists, in order are Jacques deLisle, who's at the University of Pennsylvania. Tom Wright, who's my colleague here. Yun Sun, who is at the Henry L. Stimson Center, not too far from here. And Alex, Alexander Huang, whom we are really privileged to have on this occasion. He's a professor at Tamkang University. He's also president and CEO of the Council of Strategic Wargaming studies. He, in addition, was the leader of the defense team for KMT Candidate Han Kuo-yu. So, we're really pleased to have that perspective.

Jacques, Tom and -- Jacques and Tom were in Taipei for the election, and they will be giving their field report. Yun Sun was in China and she'll provide the Chinese perspective on the election. And Alexander can talk about whatever he wants to talk about.

I should also note that somewhere in the audience is a friend of mine, Charles I-hsin Chen, right there. He was elected as a legislator on the KMT's party list. And so he's beginning a new career as a politician. So, thank you for joining us, Charles.

So, Jacques, let's start with you. You've observed a lot of Taiwan elections. I'm interested in part and what was different this time, in terms of the -- what happened at the end of the campaign, and what was the level of enthusiasm in each camp? Were you surprised at anything you saw? And I think for cross-strait relations, I'll come back to that.

Okay.

MR. DeLISLE: First a word about things that were not surprising. Which this is a knowledgeable audience here, but one thing one says to Americans is just how impressive Taiwan's democratic elections are. I mean, you have thousands and thousands of people flying back to Taiwan to vote, traveling around Taiwan, there's no absentee voting, you have to go to where you're registered. So, it really takes some effort and people do it. And people are civilized and enthusiastic and the process is incredibly clean and transparent.

One thing that's always remarkable when foreigners come to watch Taiwan elections is the way ballots are counted. It is as transparent as anyone can imagine. The physical ballots being shown to any onlookers. And, of course, so we've had now a series of elections where there's been a quite gracious concession and acceptance to the outcome by the losing side.

So, that wasn't surprising as you said in your opening remarks, Richard, it's the outcome on the presidential election was not at all surprising. It was widely predicted that Tsai would win by about a 20-point margin and that's what happened. She got essentially the same share of the vote that she did the prior time. KMT did better, largely because the third-party candidate James Soong fell back a good deal.

The LY was a little more surprising, in the sense that it went basically one third, one third, one third on the party list. If you -- as people probably know, Taiwan's legislator is elected mostly from single member districts, but there is roughly one third that's done on this party slate. And what was striking there was that the KMT and the DPP roughly tied, which was a gain for the KMT compared to the prior round. But the third parties got one third of the vote.

And that's a remarkable thing, because there's a real risk that you're throwing your vote away when you vote for a third party because they have to make a five

percent threshold to get any seats. And so it's kind of -- so it's almost anti-strategic voting, and only a couple of the parties made that threshold. So, it really does suggest space in the Taiwan political spectrum for something that is not either one of the major parties that may suggest some discontent with those parties. So, that was, I think, a little bit outside the expected range.

In terms of the end of the election campaign, we did sort of a very unsophisticated social science experiment, which is that Han Kuo-yu did a rally near the Presidential Palace on Thursday night, two nights before the election, and Tsai Ing-wen did one Friday night, the night before the election. So, you had both sides' supporters showing up.

The KMT rally was, I think somewhat better attended, and there was probably a higher level of enthusiasm, certainly a higher level of wearing party colors. I mean there was a real sea of red and blue, whereas the DPP folks showed up wearing whatever they decide to, you know come as you are party.

But to say that that the election was characterized by the Hahn fever, which had been built after the remarkable victory of by Han Kuo-yu in the Kaohsiung Mayor's election, year plus earlier. That had clearly dissipated. And I think one of the takeaways from the night before the election, at least to those of us in our group who were watching it, was that Han, despite being a charismatic figure was actually kind of flat on the final night speech, and I think was pretty negative. It was, the speech was really kind of an attack on the DPP, rather than a positive program, emphasizing the economy which had been what he'd partly run on.

And Tsai I thought was she's not a firebrand, she's not a really dramatic speaker. But she came in as sort of quietly confident, and it was striking that much of her speech, although it hit the themes that the drove the election, the Hong Kong problems and why Taiwan would not accept an arrangement like that. She spent a lot of her speech

emphasizing what she'd do going forward and emphasizing the need to vote for her legislative candidate. So, that came across as somebody who was, I think, pretty confident, she was going to win.

The final thing I'll say is what I think both of those things kind of reflect is that the DPP really pulled together. It was a remarkably unified party. It has a history of factionalism. But if you look at it, Tsai Ing-wen who was left for dead after the November 2018 county and city elections, really came back and I'm sure we'll talk about the reasons for that later. But she managed to take the sort of deep green, more pro-independence wing of her party and bring it on board. Her challenger in the primaries, her former premier Chen Chien-jen, ran as her vice president. Some old folks who had suggested that she step down or back off and got behind her. She got Chen Chien-jen to come back as a second tour of duty as a premier and he did a remarkable job sort of riding the ship. So, they really were all together there.

That's not to say there aren't problems in the DPP going forward, of course, there are. But the KMT I think is in a bit of a moment of crisis, in that Han Kuo-yu is of course a non-traditional candidate. And I think we saw in our week there, and I'm sure this will happen afterwards now that the loss has occurred, an attempt to figure out where the party goes. Does it stick with the Han Kuo-yu kind of populist thing? Does it go back to the old Ma Ying-jeou kind of elite traditional party? Does it become a party that emphasizes more conservative social values, to take advantage of some of the unpopularity of some of the progressive social and economic policies the DPP had pushed? I think there's a lot of wrestling with that, and in particular, younger KMT members we talked to are really trying to grapple with where they want the party to go.

MR. BUSH: Okay, Tom, this was your second trip to Taiwan, your first time to observe an election. Tell us what you what you saw, what you think you saw.

MR. WRIGHT: Yeah. And I should thank you, Richard, and thank you for

asking me on this panel today. I'm not a Taiwan expert by any stretch, but it was sort of fascinating to be there. And just to echo Jacques as well. I mean, the first thing that I think that was most impressive was just the mechanism of the election. You know, as you mentioned, there's no absentee voting. So, you had all these people coming back, paper balloting. And just very large numbers of participation and then the rallies the two nights before the election, and then the rally the night of the election when the results were announced. You could just see this widespread sort of enthusiasm and participation.

I guess my main sort of takeaway was that this was a vote first for stability actually, that everyone sort of that we talked to, and I realize it's more complicated than this. But Hong Kong did loom and sort of very large. I think that was probably the most important driving factor behind Tsai's turnaround from the spring. And it was really I think, young people in particular, wanting things to stay pretty much the way they are.

So, sometimes I think the DPP can be seen as the more starkly, maybe more disruptive force and wanting to sort of change things in Taiwan. And this occasion, I think it was not the desire to change things, in terms of independence or anything like that, and more the desire to avoid a change or to avoid what had happened in Hong Kong, or what that would mean. And you sense that from people, voters as well as from the party officials that we spoke to.

We did have the opportunity to meet the president then, funny enough, her first meeting, I think, actually after the election at 9:00 a.m. on the Monday. And she was actually in good -- she was obviously in pretty good spirits. And I think there is a sense that while everyone's waiting for Beijing's reaction, that it may not it -- it obviously, I think, will continue to crank up the pressure. And those are the messages that I think were coming from the state media and from the foreign minister, Chinese Foreign Minister, as well, and in the days after.

But I think there is it desire, it was clearly articulated to us anyway, a desire

in Taipei for a different approach that actually there is sort of an opportunity here with Tsai to have some form of engagement on different terms maybe than Beijing would have desired with a different outcome. And so I think we'll see where that will go and we'll come back to that I'm sure later on.

MR. BUSH: Good. Thank you. Alex, could you talk for us about what it was like to work for this presidential campaign?

MR. HUANG: Actually, I think I am somewhat lucky --

MR. BUSH: Mm-hmm.

MR. HUANG: -- because I know all three candidates in person.

MR. BUSH: Mm-hmm.

MR. HUANG: James Soong, wrote recommendation letter for me and sent me to Georgetown University 30 some years ago. And Dr. Tsai Ing-wen hired me as her deputy minister. And Han Kuo-yu had full trust in me in terms of policy deliberation and really gave me a big room to write down and to convince him what I considered that Taiwan needs to do in the at least next four years on defense.

So, for me, Richard, I wasn't a political activist. I try to be a political server and try to analyze things in a balanced way. But this time, I have to say that the reason why I helped Han is because I believed that in the next four years Taiwan will experience tremendous challenges. Especially across the Taiwan Strait under a bigger, bigger cloud of U.S.-China strategic competition.

So, the choice for me is that whether we will choose an approach of continued confrontation with Beijing.

MR. BUSH: Mm-hmm.

MR. HUANG: Which means that would endanger our diplomatic allies. We lost seven in the past three plus years. And we have only 15 left. And this pressure will continue, I guess, with DPP's victory this time. We lost formal communication with Beijing

for four years. And it's not likely to resume under the current circumstances.

And also, the newly approved armed sales items for Taiwan last year, both man battled tank M1, A2, F-16 Block 70 fighter jets won't arrive Taiwan until the end of a President's Tsai's second term. So, the next four years would be extremely challenging.

Also, because that Xi Jinping needs to turn in his scorecard before the 20th Party Congress in 2022. And in 2021, Beijing will celebrate the Centennial of the Communist Party. And this year, probably in the next two months in the *Lianghui*, or the National People's Congress, Xi Jinping needs to prove that he has reached the first stage of bringing all sectors in China above the poverty line into a moderate prosperous society.

So, with all these challenges, Xi Jinping cannot be seen as weak, and has probably his hands tied to show soft or moderate approach with Taiwan. And that's part of the reason that I think that the next four years for Taiwan is for the best to stay low key. Try not to confront or participate in the big power competition and buy time to work on our own economy.

I know that the voters, especially the young voters, if we look at the voting turnout, it was 66 percent four years ago, and now is this time it's about 75 percent. And the impact of that nine percent is almost equivalent to the first time voters, which means about 80 percent of the first time voter, the young generation, voted for Tsai.

They were successful in sending a message to Beijing that Taiwan does not want to be bothered. Taiwan needs a room to survive. However, the day after, including the young generation, they will come back to think about the economy of Taiwan, think about the air pollution in Central Taiwan, think about whether the anti -- the newly passed Anti-infiltration Act would have a direct impact on their future interaction with Beijing. All these are issues that bring us to today's stage.

Lastly, I want to say, I feel honored to be part of the policy team. If I am not criticizing my own campaign, Han Kuo-yu's Presidential bid actually will run by three

command centers without a joint chief. The three command centers were their campaign headquarter, the KMT headquarter and the policy advisory team.

I am -- I was on the policy advisory team and specifically on defense. I started early before the convention to help Han Kuo-yu in both foreign policy and defense. But since the advisory group have been enlarged to more than 100 senior people, I stayed with the defense. I have to say that Han Kuo-yu started late. And Han Kuo-yu was tied up between Kaohsiung and Taipei because the campaign headquarters in the south, but all the policy advisors like me, we were in Taipei. So, we are not together all the time.

And we are now full-time advisors working on the campaign, because we are all professors, we need to teach, we need to grade papers. So, the good side is all volunteer force. The downside is that we did not have time to commit full-time to help him to run the campaign. So, I think we accept the people's choice. We understand there is a gap between President Tsai's Presidential vote and the Party vote, significant gap.

So, I think what I can say is that not necessarily Han Kuo-yu himself, but the blue force in general, the KMT, Kuomintang, will have more constant presence in town. The KMT will be reformed. And we'll have more awareness of what Washington think about Taiwan.

MR. BUSH: That's good. Okay. I should note that both Alex and Yun were visiting fellows here at different times. It's nice to have them back. Yun you were in Beijing around the time of the election. You had a chance to have intensive meetings with a lot of people in the PRC. What were your takeaways from those conversations?

MS. SUN: Thank you. Thank you, Richard. I had a lot of meetings in PRC, but I don't represent PRC.

MR. BUSH: Yeah, sure.

MS. SUN: I don't speak for PRC.

MR. BUSH: We didn't --

MS. SUN: Let me just start with that.

MR. BUSH: -- mean to imply that you did.

MS. SUN: Just in case. I think, so a couple of things. People wonder that whether, especially for the media, there is a conviction that China was disappointed, and China was somehow shocked by the loss of Han Kuo-yu. I will say that before the election, mainland China's preference was very clear that they preferred Han Kuo-yu.

And it's not just because KMT is regarded as the party that supports negative consensus and pro-unification, it is also because the mainland believes that Han Kuo-yu and his popularity in the local election in 2018 representing -- represents a new voice or new force within the KMT. A force that the mainland had been expecting or had been looking forward to for a very long time.

So, Han was regarded as, was still regarded as different from the traditional elites within the party, and he is connected to the people, and in the future represents a better chance to compete with DPP. So, therefore, for the whole year last year, I would say the mainland's preference, and their support of Han Kuo-yu was very clear.

But in the context of what happened in Hong Kong, and in the context of the public opinion polls in Taiwan before the election, I would say that the internal judgment in the mainland about the result of the election, before the election, was pretty accurate, was pretty objective. And of course, and in my observation starting from last fall, the mainland has basically stopped believing that Han Kuo-yu was going to win, but -- so, that means that they're prepared for both scenarios. So, I will say that the mainland's assessment of the election was accurate, and I know the mainland is disappointed, but it's not surprised.

And about the mainland's perception about the second term of President Tsai, there two different views in China and they're actually connected. The first view, the first school believes that, so all this voices, all this debate about the mainland's infiltration, the influence campaign and the (inaudible) the threats that mainland poses to Taiwan before

the presidential election, motivated or promoted by DPP and Tsai Ing-wen, it was motivated by domestic political purpose. In other words, for the mainland, for these people, they believe that after the loss that KMT has suffered in the local election in 2018, in order to craft the most effective election campaign strategy, these strategies were very much domestic motivated.

So, if you believe in that, and I think a lot of people in mainland believe that, then there are people in mainland who believe that since these operations are for campaign -- for election campaign, that after DPP, after Tsai Ing-wen wins the election then they will naturally tone down these type of behavior because they don't need you anymore, since they have already won. Which means that there are people you mainland who believe that the DPP will adopt a slightly more moderate policy towards the mainland. And that's I think what we have seen based on her statement after the election. But that's one school.

The second school is more official, it's more representing the mainstream view. And the second school would argue that, based on what Tsai Ing-wen has said in her statement after the election, it shows mainland that her position about Taiwan's political status, and about Taiwan's political future, and about the future of crossroad relations has not morphed towards the direction that mainland wants to see, because -- simply because she has won the election.

In other words, maybe after she wins the election Tsai Ing-wen doesn't have the motivation to escalate the tension like she did before the election. But she also does not have any reason or motivation to improve the crossroad relations according to the formula that mainland wants to see. So, therefore, the judgment is that crossroad relations will be worse during the second term of DPP. So, there are, of course, a lot of questions as to whether mainland will change its policy towards Taiwan. I will say that the consistency of mainland's policy towards Taiwan is exceedingly strong. And this is because the room for maneuver or the space for flexibility is extremely constrained for mainland, and to change

any aspect of this policy towards Taiwan is extremely difficult. Mainland is not ready to use force to promote -- to pursue unification. And the mainland is definitely not prepared to face a military confrontation with the United States for the purpose of unification.

Although we always hear that the mainlanders talk about U.S. is not going to intervene, U.S. is not going to protect Taiwan. But to me this is more a rhetoric rather than a conviction. Because you do see the mainland analysts and the officials constantly wondering the same question, is U.S. going to intervene or not?

So, -- and there's also the bigger question for mainland if they do choose to use force, which is, how to manage Taiwan afterwards. Even if mainland wins in that scenario, this is a question that mainland cannot answer. So, if Hong Kong serves as an example, as Taiwan will be even a bigger problem. So, I will say that at this stage, the use of force is reserved to prevent independence of Taiwan using mainland's definition. But it is not used to pursue unification or as means to pursue unification. I'll stop there, we can talk about one country system and the reaction to Tsai's speech later.

MR. BUSH: Do we have to?

MS. SUN: I guess it will come up, just in case.

MR. BUSH: Before we sort of move to that part, I have a question on which I'd like your opinions and advice. And that is, what was the degree of disinformation operations by the mainland? Did it have an effect? There was a lot of concern expressed for over a year about intrusions having an impact on Taiwan domestic politics. But we haven't heard too much about that. And there are a couple of different explanations. What was your impression?

MR. DeLISLE: Well among meetings we had on this trip was with people who are focused on the issue, so the Taiwan FactCheck Center and a really interesting academic named Kuma Shen who looks into these issues. And we heard a lot about it in the 2018 elections. And indeed, one of the main concerns about Han Kuo-yu was the

question about whether he benefited from mainland-based Facebook sites that drove his recognition up, which helped him win that election, helped him win the KMT nomination and so on. So, it's a pretty strong reaction to it.

And some measures have been taken. Facebook has cooperated a great deal in Taiwan, with help it with -- coordinating with things like the Fact Check Center and other organizations to flag problematic information. They've been working with Line as well, which is heavily used in -- by young people in Taiwan. So, there have been push backs against it. There was a pretty widely held belief in Taiwan that voters were relatively sophisticated. There have been so much attention to the concerns about bad information, manipulation and so on, that people had their antenna up for it. So, you a couple the sort of defensive measures with the kind of public information and public perception that probably helped. But of course, the other thing is where you've got a really lopsided election it would have to be a huge impact of disinformation to really swing people. And of course the tone, as many of us on the panel have mentioned, the tone was a very wary toward China tone, right. What -- but it's impossible to unpack exactly what led this size remarkable turnaround. But the, I think, well founded conventional wisdom, and if you look at the graphs on her public approval ratings, they started to turn right after Xi Jinping's New Year's Speech, which whatever you think it was content was received in Taiwan as an aggressive measure. Certainly played that way by Tsai.

And then the real turnaround as things got worse in Hong Kong. So, everybody was very suspicious of the mainland and because of that, I think it was very hard to do disinformation. There was some. For instance, election day, there was a rumor that went around that this new SARS like pneumonia that's shown up on the mainland had spread to Taiwan, so you shouldn't go out to the polling places. You know, there was a pretty quick pushback against that.

So, I don't think it's a thing which had -- which had an impact. It does seem

to be down somewhat. It didn't change an election, which was so lopsided. And I think those concerns baited a little bit this election, but they've not gone away. There still is an awareness that this is a very tough problem. And it's a tough problem, because it's not just shutting down the foreign sites, some of which are operated by the mainland government and sympathizers. Some of which are people doing it for money. That is you get money if you get followers and you put up this kind of content. And some of it, of course, is domestic Taiwanese, who are putting this stuff up. And they may be duped by foreign sources, they may have genuine sympathies. But as in the United States, it's a very hard thing to figure out what to do about trying to police people who believe and spread fake news, but are not in any meaningful way the agents of a foreign government. It's a very tough thing to police. And to add one other thing which is this has become controversial in Taiwan, in that one of the last things to happen before the election was the passage of the anti-infiltration law, which is meant as a means to push back against this sort of thing. But it's been very controversial, even among people who lean DPP because of a sense that this chafes a bit against Taiwan's long-standing commitment to civil liberties and an open and robust democracy. It's just a genuinely tough question, but wasn't a crisis in this election.

MR. BUSH: Okay. Thank you. Any other comments on this one?

MR. HUANG: Well, I -- my observation on the ground for at least the past nine months, is that a lot of we have been hearing about the Chinese heavy-handed intervention, or sharp power or using fake news, disinformation operations, inference operations on Taiwan politics.

If that worked in 2018 to bring Han Kuo-yu to be the Mayor of Kaohsiung, but it definitely failed this time. So, many of this -- what we say not fake news, but conflicting messages or troublesome internet information were domestic. They were actually the supporters of different camps, especially the DPP has been very good at mobilizing the young voters or -- who believed that they have better skills and commitment to do those. I

think domestic plays a bigger role than foreign influence.

MR. BUSH: I guess if I were a -- in charge of the PRC's information operations, I would have concluded early on that the race for the president is not going to be close. That disinformation only works in a close race. But that the battle for control of the legislature is the real battle ground, in terms of creating obstacles to Tsai Ing-wen and there are some close races legislatively. I suppose we won't know for a while about that.

MR. DeLISLE: I think that that's harder to target, of course --

MR. BUSH: That's right.

MR. DeLISLE: I mean you've really got to have a fine grained --

MR. BUSH: Yes.

MR. DeLISLE: -- knowledge and there was some of that knowledge on the mainland. And I -- but I think the other thing that disinformation does is it tends to exploit cleavages and to promote polarization. Taiwan's pretty polarized. That's what some of it is targeted at. And we'll never know the causal relationship. I don't want to suggest that there's much evidence of it. But one possible explanation for part of the disillusionment with both of the major parties is the kind of sense of the pox on all their houses. That's the kind of thing that can be promoted by disinformation. And, you know, maybe that's, this is speculative, but maybe that's some of what lies behind the third-party share and the party slate.

MR. BUSH: So, let's talk a little bit more about the future of cross-strait relations. You've talked a little bit about it. Do you want to elaborate, or should I turn to others?

MR. HUANG: I agree with Sun Yun (Yun Sun) about her description of the Chinese official observation. Let's go back to four years ago. Immediately after President Tsai's inaugural speech in the morning, around 11:00 a.m., there were some sign that China may accept her description of the future cross-strait. But around 4:00 p.m., in the afternoon,

same day, then it flipped around and it was called on unanswered -- an unfinished answer sheet.

MR. BUSH: Yes.

MR. HUANG: Before the election, I ran a war game with a group of specialists. I specifically divided blue and green. And I tried to play both the United States and China. And the result from the green team was that their assessment is that President Tsai will remain -- refuse to answer the answer sheet. So, unfinished answer sheet will be with us for another four years.

Secondly, is that I think both people in Taiwan and in China needs to understand that probably President Tsai will have, in her second term, will probably have one year or one and half year of mandate, before the -- another local election coming up in 2022. Exactly parallel to the time of the 20th Party's Congress in Beijing. And so after that, it's all for 2024 election, and whether she has the ability or using the mandate early to create her historical legacy, or she will not do it. But in the second half of her second term, probably a lot of DPP politicians will try to promote their own idea for the next four years and would not give President Tsai the room to be more moderate in terms of cross-strait. And that's the constraints because Xi Jinping wanted to prove that he is strong and popular enough to deserve his third term. And President Tsai would have to be vigilant about the other wolves --

MR. BUSH: Yes.

MR. HUANG: -- in her own camp who wanted to grab the helm as early as possible.

MR. BUSH: Tom and Jacques, do you want to comment on the question of the future of cross-strait relations?

MR. WRIGHT: Sure. I mean, I guess just to echo what was -- some of our fellow panelists said earlier, I mean what was striking to me was just for Xi Jinping what a

reversal this was, that if there was an attempt to crank up pressure on Taiwan during Tsai's first term, you know it backfired, ultimately that there was an expectation and that it was working after the local elections. That Xi Jinping obviously, views himself as someone who knows an awful lot of -- about Taiwan because of his professional experience. But that that in combination with what happened in Hong Kong isn't working.

And I think the question is does Xi Jinping have a different gear. I mean I think there's, I completely agree that there's a number of one could conceive of different approaches that would be taken. I think what we don't know is whether or not his answer to that is just to keep doubling down and actually put more pressure on even though, and one would reasonably assume that that's not going to lead to a different sort of political result in Taiwan, right. The more that continues, the more it sort of reinforces the DPP's case and presumably weakens the KMT.

The other thing that we sort of heard a little bit that was interesting to me was just whether or not this was largely Xi Jinping's doing or if there were some sort of divisions and if he was advised in this direction to take sort of a tougher line. I had assumed it was very much Xi, that it was Xi Jinping, that was sort of driving this. But we did hear different sort of analytical perspectives, that actually that there might be a case that it was people advising him to take that line, and that he may now have second thoughts, although that didn't seem particularly plausible to me. So, I'd be quite interested in those who know more about it on the panel, what their sort of analytical assessment is of the decision making process on that.

And then just a final point of course is on the U.S. role in this which I think is important to sort of touch on too. But in terms of that role of U.S. support and the international response more broadly, some foreign ministry officials told me that the international reaction to the election from Taipei's perspective, was sort of broader and more substantial. They've been having the case previously, and they saw that as sort of a sign of

challenging Taiwan's sort of isolation, right. That there was more messages of support, more detailed sort of support from other countries, messages of congratulations, including from the Secretary of State here, but not limited to the U.S. And they pointed out that in Europe, for instance, that there really was a sea change in terms of attitudes toward Taiwan. And so I thought that was sort of interesting too that the international climate and there may have an impact as well.

MR. BUSH: Jacques, do you want to talk some about cross-straits?

MR. DeLISLE: Sure, I would agree with what's been said so far. I don't think Tsai has any incentive absent a significant change in Beijing's policy to change her cross-straits policy. I mean she, as I said earlier, is a unified the DPP behind her, the KMT has been beaten. She won basically on the basis of what would have been a remarkable idea not long ago, which is that the DDP is the trusted party on a cross-strait relations. I mean, you think back to the Ma Ying-jeou years and the claim was the DPP had been the dangerous party on cross-strait relations under Chen Shui-bian. And now, she won partly by saying I'm the one who will protect against the Hong Kong type situation happening here and Han Kuo-yu lost in part by failing to get on that bandwagon quickly enough. So, I think she's in pretty good shape on that. And she's pretty constrained. She's moved about as far toward accommodating as a DPP president can. She's not going to accept the '92 consensus or the one China principle, but she started to say Republic of China, albeit the Republic of China, Taiwan. And she's called for peace and stability and I think her post victory speech on parity, peace, democracy and dialogue really reiterates what she's done. So, we'll look for the inaugural which is the occasion when these positions are put forward.

But even Chun, in his second inaugural was quite accommodating. So, I think she's going to stay the course. The question is what Beijing does, and if Beijing goes more radical in some ways, then we may see a change in the Taiwan side. But that's what Beijing is going to do. I mean I think they got to figure out whether they're going to be

relatively content with the idea that they've won on declarations of independence, formal independence, whether they'll pocket that or whether there really needs to be progress toward unification in some meaningful way. And lurking in the background is this concern that Taiwanese increasingly identify as not Chinese, but Taiwanese, especially the young people who voted heavily for the DPP in the so called natural independence.

How threatening is that? It's become de-linked from calls for formal independence, but it really does stand in the way of ultimate unification. So, I think they've got to look at that in the long-term. In the short-term, I think the temptation for reasons that my colleagues have discussed here is to continue a tough policy and to tighten the screws. The problem is almost all of the arrows in Beijing's quiver are tough to use. If you go with a military confrontation, that's potentially hugely costly, I think Alexander is completely right on that. But even the other ratchets have problems. You poach diplomatic allies eventually you get down to zero. What do you do with that? Well, then Taiwan either has its back against the wall and pushes back hard. Or it says, okay, we don't care about formal relations, we're going to go with robust informal relations, which are getting more robust with the U.S. and Europe partly in response to the poaching.

And you go through the list, and it looks a lot like that. If you try to use economic leverage, well, turns out vulgar Marxism doesn't work. People will take an economic hit to preserve their sovereignty and democracy. And it turns out that business in China, even despite the carrot packages, the incentives that Beijing is put on the table, even during the Tsai years, don't fully compensate for the familiarity as red contempt phenomenon. Or for the sense the mainland is not such a great place to do business, especially under Xi where it's tilted back towards state-owned enterprises, or where people are worried about U.S. China d-linking such that having your businesses in China, Taiwanese businesses in China for export to the U.S. may not be such a great platform.

So, you go through the checklist, each of those becomes a little less

effective. And I just add the U.S. has been relatively strongly supportive of Taiwan compared to baselines. That's likely to continue partly as the phenomenon of this -- the sour state of U.S.-China relations. The one thing I'd say about that is I do worry a little bit that by no means everybody, but some people in Taiwan may be a little overconfident about the stability of the U.S. commitment. I think that is one of the risks I would point to.

MR. BUSH: Okay, thank you. I think that's enough from up here. Let's open it up to questions from the audience. When I call on you, please wait for the microphone. And then identify yourself and pose your question in a crisp way. So, who has the first question? Yes, Dong Hoi-Yu.

MR. HOI-YU: Thank you very much, Dong Hoi-yu with China Review News agency of Hong Kong. I'm wondering if the implementation of the phase one trade deal between the U.S. and China and the upcoming phase two negotiation, might have any impact on the U.S. policy or approach to Taiwan? Thank you.

MR. BUSH: Anybody want to --

MR. WRIGHT: I don't -- I mean I don't think so. I don't think there will be a phase agreement so we can see about that. But I would be very surprised if there was. But I think the fear has been on the U.S.-China trade talks is that at some point, the President, President Trump, would sort of use Taiwan as a bargaining chip or would link his policy on Taiwan to the desire to get a trade deal with China.

I certainly think that is within the realm of possible outcomes in terms of President Trump's mindset. But I don't see it as all as likely. Primarily because nobody else in Washington, I think, sees the relationship in that way. I think he would face a significant backlash from his own party and more broadly in Congress, which I think that would just bump up against all sorts of things. And then finally, I don't think I'm that while if Trump is sort of pressed on it, he may sort of think, oh yes, everything should be linked in practice. I don't think it's uppermost in his mind or priority or something he'd be willing to spend political

capital on.

I think the other sort of related question is in terms of the U.S.-Taiwan FTA, which I think is more -- which I think is unlikely in this administration, and this term for several reasons. But I think is more likely than sort of a phase two deal that would somehow jeopardize U.S. policy -- partly current policy toward Taiwan.

MR. DeLISLE: Yeah, I'd agree with all that, and just add that one of the phenomena of the U.S. China trade friction has been that it's helped Taiwan economically in the short run. And there's a study that said Taiwan's benefited more than anybody else from that. So, to the extent that the phase one deal, and I agree phase two is unlikely, and I don't think phase one means all that much. But to the extent that a phase one deal takes down the risk of rapid decoupling, that story starts to become more complicated.

Now, one of the ways Taiwan has benefited in the short run is on-shoring. A lot of those businesses in the mainland have moved back to Taiwan, but that doesn't mean they're committed to being there. I think a lot of them are waiting it out. And if the U.S.-China situation gets sorted out, they may go back, if it doesn't get sorted out, they go off on a new south bound policy and then head to other parts. So, I think the implication there is yet to be seen. I do think it's salutary that Taiwan is not being used as a bargaining chip. I think there would be, as he said, it would be a huge amount of pushback. And so at least for now, we're past that.

MR. BUSH: The other thing you have to look at is the topic that is not in the phase one deal. And that is technology controls. If the Trump Administration moves toward a really tough approach on technology controls concerning, for example, TSMC's relationship with Huawei, then that really strikes at the heart of Taiwan's political economy. Right. And we -- it remains to be seen what's going to happen on that score. Michael Yehuda, and then we'll come back up here, right there. Back in front of the -- there you go.

MR. YEHUDA: Hello. Thank you very much. I'd like to enlarge the

discussion on this one more.

MR. BUSH: Please.

MR. YEHUDA: One has to do with in the last decade especially, Taiwan's strategic significance in terms of China's access to the Pacific seems to have increased, and it seems that although we talk mainly about the economics, and people don't talk openly very much about the strategic issue. I think this has become more and more important. And perhaps it may be that the military here in Washington are very concerned about that.

And relatedly is another major country in the area, which has taken a great interest in Taiwan, of course, is Japan. And they, from what I understand, the Japanese are quietly pleased about the results of the elections. So, what significance does Japan have in this broader issue of the future of Taiwan?

MR. BUSH: Alex, do you want to start on an answer to the first question?

MR. HUANG: Indeed, in the past decade, it is more and more clear that geostrategic concerned has become a much larger factor compared to economic linkage, at least for Taiwan. So, no matter who is in power in Taipei, the growing connections, security and military collaboration between Washington and Taipei, will have been increased.

It happened during Ma Ying-jeou's time and continue in large in the Tsai Ing-wen Administration. And I expect there will be growing collaboration, cooperation, interaction between the two militaries. But talking about the trains is one issue. The other one is the current politics on the ground. All these super hypersensitive issues which is arm sales to Taiwan have been done in and cleared in 2019. So, literally the U.S. policy decision of major arm sales in the first or the current Administration has been done.

Other issues would be more on the soft side or software side, including collaboration in supporting Taiwan's improve of reserve and mobilization system, continue to help Taiwan's military education. Giving Taiwan more access to the outside world, especially the American forces in (inaudible). There being there have been Marine Corps

birthday ball in Taiwan all the time. I participated a lot. And I believe there will be a gradual increase of military cooperation in the future. However, it -- every -- these kind of events would also serve as an excuse for Beijing to retaliate. The more American ships that are cruising through the Taiwan Strait would trigger reaction.

Let me share with you that since around February of last year, 2019, China had made its combat patrol by dual ships along the western side of the median line. As a regular practice. It did not happen. On March 31 last year, China -- Chinese fighter jets flew over and challenged the median line. They did not do so for 20 years, but it came back.

So, the increase of the relationship, Taiwan strategic position, are there and increasing. But China has more ways to make Taiwan's life difficult and drive Taiwan's forces, especially naval and air forces been extremely under pressure is also a truth. This is an area that we need to sit down and talk to our friends in the United States.

MR. BUSH: Does anybody else have any comments or want to speak to the Japan part?

MR. DeLISLE: Not an area of focus on all that much, but clearly one of the things that Tsai Administration has done is strengthen relations with Japan. We saw Japan become closer to Taiwan during the Mao years as they buried the hatchet on that to some degree on the territorial disputes. A lot of it, of course, is driven by the China concern. And you know, this is a really big picture. You know, Michael raised the big picture question is, is it striking if you look back a decade or more, 10 years ago, 15 years ago, we would have been talking about Taiwan as the most likely cause of an unnecessary crisis in U.S.-China relations in what was basically a good U.S.-China relationship.

Fast forward to now the U.S.-China relationship is largely adversarial and Taiwan's, again, seen as an asset and I think that mindset is a pretty profound shift. Much of what we hear is in Taiwan is not concern about whether the U.S. cares anymore, but how much of a cost would the U.S. be willing to bear to support Taiwan. And had just how bad a

shape is Taiwan's military? There's a lot of concern about the shift to all volunteer forces, the need to build up capacities.

MR. BUSH: Michael, I am pretty impressed by the game that Abe Shinzō is playing. You know, on the one hand, there's quiet progress in Japan's relationship with Taiwan, at the same time that he's trying to sort of build trust and return Sino Japanese relations back to something that we would call as normal. Whether he succeeds in that as another question but appears that he knows what he's doing.

Yes. First the gentleman right here, you had your hand up before, and then I'll go to John back there.

MR. Jekielek: Hi, Jan Jekielek with the Epoch Times. By the way, fascinating panel, like just --

MR. BUSH: Thank you.

MR. Jekielek: -- amazing. I guess the -- I have two questions hope as -- I hope I can ask them both. The first one has to do with the significance of this party list vote, the third, third, third. And then maybe like a deeper insight into the positions of these smaller parties.

And I guess this is actually connected to my second question. I was thinking it was for Alex, but it could be for more folks. Is it -- what -- are there any hints as to where the KMT will go, how will the KMT policy change? Will it be as warm towards Beijing? Or let's call it that as it was before. That's -- I'm incredibly curious about that.

MR. HUANG: I guess this is for me. Thank you for the question. I think the -- for the KMT your second question, my understanding, as I discussed with the 26 sections of the entire policy advisory team, I think the general approach that KMT wanted to have it's pretty similar to what Prime Minister Lee Hsien Loong of Singapore wanted to take. Is that being able to talk to both Washington and Beijing, because we believe that's the best way to promote Taiwan's interest.

More of my colleagues believe that cutting communication line for four years is abnormal. You know, for people here in this town, probably won't feel the heat that we live in Taiwan. In fact, in the past, we can blame China for whatsoever reasons. But a lack of communication, I mean formal communication, has created a lot of trouble for the government's ability to assist the citizens.

We have several dozens of people have been detained by Beijing in China, without permission or visit of their family members. No access whatsoever to lawyers. And that had been a problem. Another thing that, if I have time, I wanted to -- this is a scenario play. If we have direct communication line and the base trust, at least people will pick up the phone. We have a joint agreement on fighting crime across the Taiwan Strait. Signed during Ma Ying-jeou years.

I believe that Hong Kong would have whatsoever, if it was not 2019, it will be some other issue. Then we will have the sceneries that we witness. You know it will happen at some point. But unfortunately, it happened with a case that related to Taiwan. If there is a direct communication line, I believe, I believe that if KMT is in power, the first phone call is from Minister of First Counsel to the Taiwan Affairs Office and say that we do not have an extradition arrangement with Hong Kong. But we need to get this guy. Bring this guy to Taiwan court.

And then make the second phone call to Hong Kong SAR government and say we called Beijing. All right, and you may receive a phone call from Taiwan Affairs Office or Hong Kong Affairs Office. Let's do this as a case by case way, you know. Of course, things have -- bad things have happened in Hong Kong. But it also shows that with a meaningful direct communication line it's also very important. And that's why I think this is DPP address last on this issue. But more like defending sovereignty against China. But KMT even with a less attractive narrative, but that was the way that we believe.

MR. BUSH: Okay, Jacques and Tom, what -- how do you interpret this

phenomenon of the one third, one third, one third?

MR. DeLISLE: Well, I think it does reflect some dissatisfaction with both the major parties. So, in the district elections, by and large the pressure of a first past the post system means that the blue side and the green side unified. Actually, one exception up there in that the Taiwan Statebuilding party, the Jijin Dang, actually got a district seat.

MR. BUSH: Yes.

MR. DeLISLE: So, that one's a little bit specialist down in Taichung the reasons for that. But so there's this pressure to go for one of the big parties in the legislative district as there was the presidency and then that's just the logic of the system. So, in some ways the party slate is the way you express your preferences about what it should look like. So, a couple things. One is one third is a pretty big share for reasons I suggested earlier because it may actually, you know most your votes are going to be wasted. Only two parties got above the 5 percent threshold other than the big parties, DPP and KMT did, but only two of the minor parties did.

And so a lot of people voted and didn't get any results. Some got some results and said that they didn't. But still a certain blue green logic to Taiwan politics and the minor parties generally lined up on one side or the other, generally more toward the fringes. So, the now largely defunct new party is extreme blue. The Taiwan Solidarity Union was Lee Teng-hui's party in the very deep green. They both kind of faded from the scene.

There were 19 parties on the party slate by the way. So, a whole bunch of them and some of them were very obscure. But if you look at the ones that got seats, you've basically got the People's First Party which lost its seats, which was part of Pan Blue, that was (James) Soong Chu-yu's personal party, splinter off the KMT.

And you've got on the green side, you've got the new power party, the Shidai Liliang, which basically grew out of the Sunflower movement. So, it was a more energetic, youthful, more green side of things granted the opposition to the cross-strait

services agreement and all that. It kind of fell to fighting among itself. So, many of these parties are like one leader parties, and they tend to fade with the leader. That's what happened with Silliman with Lee. But the PP actually was sort of a collective leadership, but they just -- they were not politicians by nature, and they kind of fought among themselves and took a hit.

Also, some of that energy on the youth green -- youth deep green wing, went to the state building party, which is the new kid on the block and it really had a lot of the vibe that the new power party did four years ago. And this is young people, they're very much pro-independence in many ways, or at least pro a very robust notion of Taiwan autonomy. And that's kind of how they got their seat.

The really interesting one here and the last one I'm going to talk about is the Taiwan People's Party -- Ko Wen-je, which is the personal party in many ways of Ko Wen-je, the independent mayor of Taipei, who started out kind of green, then kind of wound up somewhere in between, I think it is telling that their swag is turquoise or teal, its nicely positioned halfway between blue and green.

MR. BUSH: Did you suggest that to them?

MR. DeLISLE: I did not. I actually have -- I've made that suggestion in the past, I did not make that to Ko. But basically it is it's Qingsi in the old Chinese and (inaudible). So, it is a party that is almost aggressively anti-ideological, but mostly -- and it's about good governance, good process, all that sort of thing, which is a little ironic from Ko, but we'll leave that aside.

But the idea is that they're kind of playing to that middle in some sense, and they're generally perceived as having drawn pretty heavily all the minor parties are pretty heavily from urban areas, but the TPP in particular seems to have drawn from urban folks who are disaffected with both parties and kind of want something new. It'll be interesting to see how those five behave in the legislature.

One thing that you all know is that in Taiwan legislative majority doesn't really get you all that much. Sometimes there's enough ability to caucus and block things. So, given the reduced DPP majority in the legislature, and this fairly significant TPP caucus, it's going to be interesting to watch what this means for some of the ambitious legislation that Tsai still has on the agenda for term two.

MR. BUSH: Okay, I got a question here that I promised I'll go to John and then the back again.

QUESTIONER:(Inaudible) with United News Group Taiwan. Some people suggest that President Tsai should solve the U.S. pork problem in her second term. Do you think she should take that action? And would that be attractive for U.S. to sign an FTA with Taiwan? And Alex, could you tell us about KMT's view on this issue, thank you.

MR. BUSH: Any comments?

MR. DeLISLE: I don't do ractopamine.

MR. WRIGHT: I mean, I'll just make a comment on the FTA because I think that I think is on the agenda. I think there's seems to be broad support for that and certain elements of Congress here. You know, we hear that Taiwan would take a relatively positive approach in terms of the deal that they would offer.

But I think it's a very difficult thing to accomplish in the Trump Administration, right, for a few reasons, all of which have to do with President Trump, right. So, he is of the view that he has maximalist demands, right, in trade negotiations. And so one can imagine him asking for things that are just outrageous, which is why he did in South Korea and in other areas as a bargaining chip. And so that dynamic I think is a disruptive.

He then resolves these things, usually with one-on-one conversations with the leader of the other country. And so I don't really know in the Trump Administration, how an FTA would Taiwan would work on President Tsai and President Trump can't actually speak or don't speak directly to each other, right.

The way that would normally work is that you would delegate it to the U.S. TR, right. So, U.S. TR would talk to Taiwan's trade negotiators. But that's not how he does the deal, right. The deal has to be him, one-on-one with the other person.

And so I think until we get to a normal sort of bureaucratic approach to trade negotiations, which I think would entail a different administration to his administration. I just think the mechanics of the negotiation are quite difficult, and that's really nothing to do, I think with Taipei, Taiwan, it's entirely to do with the way the White House is sort of structured.

And I think you just look at the pattern in the previous negotiation. So, I think I would like to see those negotiations start, but I think realistically it will be if there was a different Administration, whether it's a different Republican or a Democratic Administration in 2021.

MR. HUANG: For KMT's position, the answer is definitely easy. Because it's the DPP Administration. You win big, you solve the problem. But it's not only about politics.

It's also reality. As a person that treasure a good relationship between Washington and Taiwan. The ractopamine beef and pork issue have been the stone blocking the way of any progress of TIFA, and not to say BTA.

So, we need to solve this problem at some point. It's too long already. We the -- whether it is viable to get the agreement signed, or cut a deal before we within the first term of President Trump, that's one issue. But the other one is that no matter who will continue to be in Washington after November or January next year, we still have this hot potato at hand. With the victory and big victory of President Tsai, the highest vote in the past 24 years, you got the mandate. If you don't do it, I don't think that the future President can solve the problem easier than you.

So, this is the opportunity, and you have to do it early. Why? As I said, you

have to understand that other DPP politicians would not want to be get -- be hurt by this decision. There will be strong domestic opposition for opening up the market. So, I think President Tsai, if she really see this issue as important to a long-lasting U.S.-Taiwan economic relationship, she needs to do it now.

MR. BUSH: John Tan behind you, right there.

MR. TAN: Thank you, Richard. John Tan with CTI TV of Taiwan.

Professor DeLisle, you talked in passing reference of the risk of some in Taiwan having too much confidence in U.S. commitments. What did you mean? Could you elaborate a little bit on that? Thank you.

MR. DeLISLE: Sure. But first, I have to get off one cheap joke on the trade issue. Which is, we were down in the National Theatre, the very beautiful Japanese architect designed, National Theatre in Taichung. And there was a big sign for the Taiwan International Festival for the Arts and the sign said TIFA 2020. A little subliminal advertising for a trade agreement. You hear a lot from officials and commentators in Taiwan about how great the U.S.-Taiwan relationship is. And by many measures it is. You see things like the every year, we get a National Defense Authorization Act that talks about the need for more cooperation from Taiwan. We have the Taiwan Travel Act, which says higher level visits. We have the Asian Reassurance Initiative Act, we have the Taipei Act, which may or may not pass. All of those things signal support. We've seen, as was alluded to earlier, Pompeo issuing a statement which went beyond the usual congratulations on your democratic election to say thanks for huddling with us against the Chinese menace in a sense, right?

So, for push it for standing up against the pressure. So, there's a lot of signals, rhetorical, and some of the tangible ones that Alex has mentioned, about a close relationship. That's real, but a lot of the rhetoric one hears in Taiwan suggests that it is stronger than it is and more importantly, more secure than it is. So, what are the reasons to be a little skeptical?

Well, one is that the current Administration is not always a paragon of stability. Positions can change for all sorts of reasons, and rhetoric can prove a little hollow. There has been a turnover rate among officials in this area that maybe not rival a fast food restaurant, but it's not exactly the same team there for four, possibly eight years. And there is, I think, the more general big question that's always been out there, the question is unchanged, but the answer may be shifting, about just how much will the U.S. do given China's greater relative capacity and given what is something of an asymmetry of interest. China cares more about Taiwan than the U.S. does in the most extreme circumstances.

But the more sort of immediate point is that there is so much rhetoric about how great the relationship is that it almost can't be true. And to the extent that that is and the Chinese idiom, Pai Ma Pi, patting the horse's rump, because you must tell the United States particularly under current leadership, how wonderful it is and how committed you are. If that is just performative, great. If it's really believed, then there are risks to that because it can be followed by disappointment, and even if it's not followed by disappointment, it can perhaps create a risk of Taiwan pushing a little harder than is wise in Taiwan's interest in dealing with the mainland.

So, I don't mean to say it's not real, I think it is real. I think it is a step up from the baseline. I think it's partly about Taiwan, it probably about U.S.-China relations, but just some of the statements need to be taken with a grain of salt or a grain of MSG, or ractopamine or something. But basically, I would say be a little cautious.

MR. BUSH: Do you have any comments on this point?

MR. WRIGHT: I would just add one thing, which is, I mean, I do think support for Taiwan is a bipartisan issue. And I think it's broadly shared, and I agree with the caveat about the President -- about President Trump. But I think if you look at the policy, and again I defer to others on the panel. I think concern from Washington comes with whatever force is seen as disruptive, right, in sort of cross-strait relations in some way. And

at the moment Taiwan, and Tsai Ing-wen, is not seen as a disruptive force. I mean, they are -- the DPP has sort of backed away from wanting to go the independence route. It is more about sort of averting these negative sort of trends and Beijing is the one that's piling on the pressure.

So, I just find it very difficult to envisage that there will be any sort of serious dilution of support for Taiwan, as long as that's the case. I think if it completely flipped back some way to where Taiwan was sort of pushing for change in the equilibrium, I think it might be different. But that's not really likely. And the second sort of point is that I think we are moving beyond the question of sort of arms sales. Military deterrence is all that's there as a key issue. But the more pressing immediate issue is on this sort of diplomatic isolation and developing greater ties and whether Taiwan should be forced out of international cooperation on global health and all of these different questions. And that question is one, I think where there is very strong support across the aisle, and also in Europe and elsewhere. So, if the question is sort of framed like that, I think you do see that support. There are scenarios, I think where there's always a question, but that's not unique of military conflict.

But that's, again, not unique to Taiwan. That question as a Europe expert, it's always been there in Europe, with NATO. If there was a contingency in the Baltics, would the U.S. ultimately be there? And the broad view is yes, but there's always a little bit of doubt, because extended to turns is always quite difficult. So, I don't see that as unique to this situation or any worse than it always is, in this case, just because the nature of the promise, which is an unusual promise a country offers. But the U.S. has done so for 70 years in different parts of the world too.

MR. BUSH: Alex, do you have a two-finger?

MR. HUANG: I think we probably would agree that since 1991, the Desert Storm, that modern warfare, I mean, the key decisive outcome would be determined within three weeks. So, you know who is the winner, who's the loser pretty quick. So, the -- no

matter how strong the commitment would be, or how many Taiwan friends in the Administration, who would go for it or try to help. It is up to Taiwan to defend our own homeland.

The real question is that whether the government would do a good job to inform the citizens, especially young generation who refuse to sign up to the volunteer force. And the thinking and truly believe that the American forces will be with us always. And that gap of perception needs to be addressed.

MR. BUSH: The gentleman on the aisle, on the very back row.

MR. MCNEIL: Thank you, Richard. Dean McNeil.

MR. BUSH: Yeah, sorry I didn't recognize you.

MR. MCNEIL: Oh, no worries. I'd like for us to take a look at the numbers behind this. Usually when you see numbers this large, and I've talked about this with someone knowledgeable so I'd love the views of someone on the panel. You would say that those numbers can elicit a mandate, or at least you got to those numbers because you're presenting to the electorate some sort of mandate. And my question is, do anyone on the panel want to comment on whether or not they think that Tsai Ing-wen has a mandate? If so, what is that? And if not, why?

MR. BUSH: Do you want to start?

MR. DeLISLE: Sure. I mean, it would seem four elections in a row with relatively similar numbers. So, many slip back and forth, I guess. What does she have a mandate? I mean I think how she got from near single digits in approval ratings to pretty strong approval ratings and even strong -- stronger vote share here, there's a bunch going into it.

So, one is what happens with every Taiwan election when it comes out lopsided like this as the last several have, is we all sit around and say did the party that one win or the party the lost lose? And there's a fair amount of evidence that the KMT

underperformed, and you can see that in a lot of places, right. So, the KMT's share of the legislature turned out a lot better than its share of the presidential vote. And if you align sort of blue leaning legislators and legislators, including the not -- the non-affiliated folks, I mean it was a good deal closer and the DPP's legislative margin has shrunk. So, there's certainly something going on there.

The other thing to be said is that what the DPP won on really for those of you old enough to remember the Peanuts comic strip, going to Taiwan for presidential elections is like Lucy and the football. I've been going for 20 some years now, and every time I'm told this is the election that's not going to be about cross-straits, it's finally going to be about something else. And the football gets yanked away every time and those of us who do cross-strait stuff celebrate because we're still relevant.

And that happened again here. And so I think so much of this really was cross-straits are not the only issue. But when cross-strait issues become salient, which they often are, then it's the issue you can't afford to be on the losing side of. And when you see that side bounce back, it's hard not to associate it with that. I mean there's a lot of discussion in Taiwan about people over emphasizing the Hong Kong thing, but it was big and it's hard to account for it any other way.

The other piece of the problem with the Tsai mandate is the DPP's legislative agenda is controversial. And one of the reasons that their popularity fell during the first term and one of the things they got clobbered at the midterm elections, reinforced by referenda that spoke to some of these controversial issues, is the same sex marriage, marriage equality that got some pushback, including from the DPP base. Pension reform got heavy pushback from former civil servants and military people who are basically KMT oriented by and large, but others as well. The energy program to get away from nuclear power turned out to be a mess because there were blackouts and a re-reliance on fossil fuels.

And so just issue after issue pushed through pretty quickly, got some serious blowback. And it was kind of a matter of either getting used to some of those or putting them in the past it was a problem. And the issues ahead there's still some tough sledding there, they're going to be somewhat unpopular, and it would take as a harbinger of issues they're going to face is this anti-infiltration law as mentioned earlier. And that has raised some concerns about illiberalism, perhaps under the DPP and the KMT, and others will make a lot of that. It's partly the anti-infiltration law. It's also the unresolved issues of transitional justice, and possibly taking the KMT, so still got so called ill-gotten gains.

So, if you look at what's on the list of what's been done, that's been divisive, and what's ahead, that's going to be controversial, that's going to erode any mandate. And I think some of the things that a lot of people would think are really in Taiwan's long-term interest, like infrastructure investment, dealing with some educational issues, and doing the energy transition, those aren't going to pay off soon enough to be a political boon. So, I don't see a better ability to claim a mandate for anything other than the cross-straits issues and there we've talked about why that's likely to go down the path it is.

MR. BUSH: Also, I think we need to look at which of these ratios is the most accurate representation of public sentiment in Taiwan. I mean, you could make the case for example, that Tsai's 57.1 percent is inflated because of her skill in addressing the protests in Hong Kong. And maybe because the KMT underperformed.

You could say that the 54 percent majority that the DPP has in the legislature, I just worked that out on my phone. I didn't have it in my head. That that is inflated because it's single member districts. And that kind of system always inflates the majority's majority.

So, is the party list ratios, is that more instructive? So, it's hard to know if you have a mandate, if you don't know what's the most -- the best indicator of the extent to which the public is behind you.

So, another question. Yes, right here. And then I'll come back to Steve Butler.

MR. KIM: Thank you. Yung Kim, Korean Embassy. Actually Taiwan and China will start negotiation on whether they will extend ECFA, Economic Cooperation Framework Agreements, sometime the second half of this year. So, there is a speculation that China may refuse to extend its ECFA what is the view -- what is Taiwan's view and China's view on the extension of the ECFA?

MR. BUSH: Sun, did you hear anything about this?

MS. SUN: I think TAO spokesperson spoke about that yesterday or two days ago and the comment was that ECFA is -- should serve the peace and stability and the development of the relations across the street. So, I think what the Chinese are essentially saying, or the mainland is essentially saying is that we will watch the words and behaviors of Taiwan before we make a decision.

But on the mainland side, the more emphasis currently has been placed on the 31 measures and the 26 measures. And those measures are specifically designed to entice the Taiwan population to provide that the equal treatment to Taiwanese people as the mainland citizens.

So, and also for the Taiwanese companies. So, that to me seems to occupy a higher priority on mainland's agenda. But I think the negotiation or the issue of ECFA is currently, I don't think Beijing has made it this year and they probably will have to say -- see what DPP and Taiwan will say and do in the following months.

MR. DeLISLE: I mean it would be hugely disruptive to let ECFA and the affiliated agreements expire. The mechanism by which they were forged is off the table, that formal, that -- the official unofficial verging onto official channel has been shut down since 2016. In the conversations I've had about that the most persuasive and fairly often mentioned possibility is a kind of agreement to keep it rolling without actually formally

reaching a new negotiation. I mean both sides could unilaterally say, we're going to keep observing EFCA without tackling the problem of a formal extension. Maybe they'll get a formal extension, I think just because to take them off the table would, I think just send a really bad signal toward Taiwan, and then towards the risks -- about the risks of cooperating.

MR. BUSH: Steve Butler, thank you for your patience. Steve and I were in graduate school together, decades ago.

MR. BUTLER: Yeah, I hate to think how long ago it was. I'd be interested to hear more about the anti-infiltration law, I think Jacques would be the one to answer this. It's a rather short piece of legislation. It's somewhat vague. And what was the reaction to it? And also what does it change? Because there are -- there were previous, you have pieces of legislation that addressed some aspects of this.

MR. DeLISLE: Yeah, so you know, it is vague. It's very short. It prescribes some pretty potentially serious consequences, I think it's up to five years in jail and a million taibi, or something it says as a maximum penalty is not going to be used. And for what? It's for foreign political donations, for so called lobbying on behalf of outside actors, and for disruption of social order, disruption of election, election interference and that sort of thing. So, it's a list of hard to define terms.

And so I think a lot of the concern has been among sort of reasonable analyses, has been the chilling effect. People are not quite sure where the line is going to lie. And so what does that mean for when the CCP, KMT talks and meetings go on? What does it mean for lawyers who represent Chinese clients in front of Taiwanese administrative agencies? What does it mean for people who are getting internet content from abroad?

So, I mean so it is vague enough that it has raised those worries. And so it was pushed through at the very, very end of the calendar year. And then its implementation which pushed back in part because of the blowback, so, the con -- You're right that a lot of that stuff can already be handled. But that also cuts both ways.

So, there is this relatively celebrated instance -- incident right now of an NTU, National Taiwan University, professor who wrote something critical about the plan to shut down and move some of the collection -- shut down the Gugong in the Imperial Palace Museum for a while and move some of the collection to Southern Taiwan. And he was investigated for violating the public order ordinance. So, these things are out there. But the concern is if the existing laws are being used that way kind of can these be used even more harshly.

I don't think it has a big -- a long way of saying, I don't think as a big causal effect, I don't think it's something that is telling us that we're going to see a lot of this going on. But it was, I think partly politically motivated to capitalize on the concern about infiltration, fake news and all of that. But I think it created a lot of blowback from kind of liberal civil libertarian types. And so that's put some chill on it. But, it hasn't removed the concerns entirely.

And I think it has unfortunately fed into some of the polarization in Taiwan politics with people who are most critical of it generally on the blue side saying this is a return to the white terrorists, return to the sort of authoritarian KMT days. And other people who tend to be a little more to the green or left in Taiwan politics saying, this looks a lot like what the mainland does with rumors spreading.

And so the analogies have gotten quite fraught. I would hope and expect we'd see some implementing measures that take the temperature down a little bit. But again, if interpreted one way, it can add a lot to the toolkit, if interpreted more mildly, it doesn't add that much, and it stirred up quite a hornet's nest.

MR. BUSH: Do you have a comment on this?

MR. HUANG: I'll yield my time to --

MR. BUSH: Okay.

MR. HUANG: -- my legislator.

MR. BUSH: Your younger brother.

MR. CHEN: Thank you experts and audience. And I just want to add one point to the anti-infiltration law because I was the first one to speak in the only one public hearing during the legislation process. I will say that this legislation was poorly written, not fully prepared, and particularly when they say that they are only a certain specific behaviors that are regulated in this new legislation. But there's some serious problem behind that.

For example, that behaviors in the campaign do that's particularly designed to regulate the people who are in charge of handling the election process. So, they are obliged to remain neutral in the election. But now, in this anti-infiltration law this kind of behavior would apply to old people who are not even taking responsibility in the election.

So, that's a kind of problem that this legislation would bring, problem to the society. So, I was, during the campaign, asked the executive again, which had no say, any say during the legalization process. And I asked him to say that you have to have your guts to oppose this legislation.

And also, I suggest the President Tsai to delay the time that he will announce the effectiveness of this law. But now it's being passed. I really hope that new parliament would be able to do some adjustment. While that's one of my duty, I will try my best to do that. Thank you.

MR. BUSH: Alex --

MR. HUANG: Yeah --

MR. BUSH: Taking back his time.

MR. HUANG: -- the general concern, I agree Jacques' assessment. There are a lot of concern, especially for college professors because I do research and I need to visit China to interact. But now whether we can receive honorarium based on our paper presented, or go into a welcoming dinner, that's hosted by our Chinese friend. Because anyone who had as party position that participated in the, or hosting the dinner -- welcoming

dinner, I may get into trouble. Because whether I violated the law would be defined by the government. And I need to prove that I was innocent.

Another thing is even before the Anti-Infiltration Act was passed, it was five amendments -- amendments of five different laws and clauses. One applied to all people that previously served as above the Deputy Minister level, in the area of defense, foreign policy, men and affairs and national security. There is a clause amended saying that in my lifetime, I'm subject to that rule now. In my lifetime, I can never say or do anything to disgrace my country.

That's the term. And whether I did that, or you think I disgraced my country is not defined by me. I need to defend my position. So, these are the necessary legislation to protect Taiwan from fake news or information -- disinformation or inference operations.

But on the other side, there is a wide spectrum as Jacques had listed, that we worry about this liberal democracy or that being infringed upon. So, these are the questions that related to what kind of mandate of such a victory can bring to Taiwan.

MR. BUSH: The gentleman on the aisle in the green sweater and then I'll go to John.

MR. WHITE: Marty White. I gather you all don't think it's likely that this four-year suspension of formal relations will be lifted. But could you say more about why Xi Jinping can't find some way to take initiative? This seems like a real problem, and I don't fully understand the reasons for not being able to get around it.

MR. BUSH: Anybody want to? Please.

MS. SUN: Well, the panelists just now mentioned about this faction of politics misguiding Xi Jinping. I think that's more of the case in Hong Kong than in Taiwan. Xi Jinping working in Zhejiang and he also worked in Fujian Province. So, he is quite experienced and quite knowledgeable about the cross-strait relations in Taiwan.

The question in the policy community in mainland currently is that where

does mainland's current policy go from here? Because like Richard pointed out in your earlier writings, that what if we are morphing toward a stage that DPP will be the majority party for the foreseeable future? And not only in this election, but also in the 2024? And how is mainland going to handle that question?

My observation is that currently mainland doesn't have the capacity to change that narrative that's focused on one country two systems. Sorry, that -- I know you don't want to talk about it.

MR. BUSH: No. Go ahead.

MS. SUN: And I think that's because for any leader to change the policy design that was formulated by Deng Xiaoping, he needs to have a better alternative. And he needs to make sure that that alternative is going to be successful.

And I don't think anyone in mainland currently has that alternative available and with a confidence that it will definitely be -- have a better result than one country two system.

So, after the Taiwan election, what has happened in mainland is that there are a lot of questions being asked, a lot of review, a lot of reexamination, even challenges of the pre-existing, the pre-assumptions that mainland had about Taiwan's domestic politics. As for whether the bipartisan, or two-party politics is going to be sustainable.

So, all these lead to the desire on mainland's power to improve or to formulate new definitions or new proposals under currently the one country, two systems as the formula. And it will not be a very fast process. And on such an important issue, I think that the decision can only be made by Xi Jinping.

And unless Xi Jinping has a confidence that the policy is going to work out, he will not want to carry that responsibility or the risk of failing on the issue as important as Taiwan.

There are a lot of questions and a lot of challenges about whether mainland

really realize that one country two systems have -- has become a social stigma with such bad reputation. And the -- my observation in mainland is that what they're not stupid. Of course, they know the reputation and the problems associated with one country, two systems.

So, how to navigate that this -- that disturbing water and how to navigate that disturbing issue, I think that's an issue that deserves a lot of discussion between Chinese and Americans and also others.

MR. BUSH: Marty, I would speculate that if, from Beijing's point of view, you look at the Taiwan problem through a united front lens you do need an enemy. The structure of united front thinking is that you sort of consolidate your supporters and you bring in wavering -- any wavering people that you can and work very hard to marginalize and isolate your enemy. And so, in this perspective, the DPP has long been the enemy. And if they happen to win political power, you find ways to punish the party and Taiwan voters for the result.

I think that picking up on Yun's discussion of the signal lack of success in selling one country two systems to Taiwan, you need some sort of explanation of why this is the case, of why this wonderful policy has failed. And if you can point correctly or incorrectly to Taiwan independence forces that -- and their sort of efforts to block unification, that is a way of deflecting blame from yourself and the -- from your policies.

MR. DeLISLE: A little bit -- just a little sort of off the wall on this. Which is, if I were sitting in Beijing and doing this, I would not be too quick to conclude the KMT is dead. We've been declaring the death of political parties in Taiwan pretty often, the KMT -- the DPP was dead in 2008. The DDP was dead again in 2016. It's not clear there's not going to be some way to have them come back. I mean, I agree this is a low point and a very low point, but it might be able to wait and have them come back.

The other thing is, what's the risk for Beijing? I mean that -- Tsai has made

a pretty clear she's not going to do anything crazy. She's even started saying Zhonghua Minguo in China -- the Republic of China in a limited context. So, unless Beijing really, really pushes her, she's going to keep the status quo more or less in place and not do anything radical.

So, there's not a whole lot of risk of things going off the track on the green side. And the other direction the -- China's not going to persuade anybody in Taiwan to accept one country two systems. So, this seems to be the genius of mainland Taiwan policy for decades now has been to put down markers conceptually, but to live with the status quo as it is. And I think Tsai's been pretty assured -- reassuring on the status quo.

MR. BUSH: In 2000, after the Chen Shui-bian victory, that there was a lot of talk about the death of the KMT, and I in an official mode, cautioned people not to write the KMT off, that it's perhaps the world's most resilient party.

MR. DeLISLE: And there's kind of a logic to a two-party structure in Taiwan given what people are -- sorry.

MR. BUSH: Right here, and then I'll come here. And we'll break in just a couple of minutes. The gentleman with the glasses and the light blue shirt.

MR. SANKEY: Hello, thank you. My name is Evan Sankey. I'm from Johns Hopkins, SAIS. A few of the panelists have mentioned the sort of parlous state of the Taiwanese military. I think Mr. Huang mentioned there were problems with recruitment. I'm wondering what the politics of defense spending are in Taiwan, not just in this election, but in general. I know -- and it seems to me that one of the achievements of this White House has been to get particularly the Europeans to spend more, and I'm wondering why that pattern doesn't seem to hold in Taiwan. Thank you.

MR. HUANG: Well, we've felt the heat all the time, from our American friends from both aisle that Taiwan needs to increase our defense budget and spending to modernize our force more quickly, more reasonable, so we can better defend ourselves.

The answer is relatively easy, because you spend money on missiles and airplanes does not necessarily get you vote. You spend more on the universal health care, of course, social welfare, of course, agricultural sector, yes. So, this is for every top politician, the President. He or she needs to, to win and the win by counting votes. Taiwan's military, uniform services does not count it as a voting block for politicians. So, this is one area.

The other thing is that whether by increased defense spending no matter how good it is. Another thing is that you need to mitigate the threat as well. Right? You don't do both. So, in previous administration like Ma Ying-jeou, he relies too much on his so-called smart mainland policy. So, he did not need to spend too much on defense because the peace will come, based on a sound policy with mainland. If you maintain a good relationship, you don't need to worry too much about military conflict. That's one approach that's been disapproved.

Another approach that you need to invest heavily is to prepare for the worse. And to be able to defend or fight long enough for international community to react. Crimea was down in a few days before NATO could react, and the United States forces are overloaded in the Indo Pacific region as well.

So, I think there will be a gradual increase, but it will never be enough. I think that's our job to communicate with our voters, our younger generation that we defend our own country.

MR. BUSH: I agree with that. But there's another factor here. If you look at Taiwan's government budget, the shares by function have been pretty stable over the last decade. And the real reason why not -- as -- why more is not being spent on defense is that the government doesn't take in it enough in revenues. It's not pushing the public to give more to the government in taxes so that the government can do a good job in all of these areas, not just defense. Right here.

MS. BAI: Hi, my name is Joanne Bai, I'm an intern with the U.S. Asia Institute. I wanted to thank the panel today, I've redirected -- a question also directed at Professor Huang, sorry to the rest of the panel. Thank you so much for coming today to share insights into the KMT strategy. I -- my question is specifically on conscription.

Currently, or correct me if I'm wrong, Taiwan policy seems to be moving toward the end of mandatory conscription for Taiwan youth. As relations change with China, do you think this will likely change? How do you think dual citizens will respond? Thank you.

MR. HUANG: Who responding? Dual citizens? Well, I'm not so I don't know. I'm over aged.

MR. BUSH: What about your sons?

MR. HUANG: The conscript I'm not talking about loyalty or understanding of the requirement of the manpower that needed to defend Taiwan. Because if you study military affairs, overtime it changes based on technology and others. But on the societal and budgetary side, I do not believe that Taiwan can go back to conscript because of various reasons, the available land, the barracks and the pension they need to pay. We can only do have finite improvement.

But there will be no return to conscript, unless we do have a clause in our military service law that should -- there is a true break of military conflict and war. Then the conscript will be reinstated. But that's a long shot.

For the time being, I think what we need to do is to give more incentives to recruit the young people. One of the highlight -- if I can do my commercial now irrelevant. But one of the key area is to provide a bilingual education in all military academies and NCO schools and hopefully, that in 10 days -- 10 years that we can create a whole host of new armed forces who had a better competitiveness, government paid, no student loans, right and incentives. These incentives are the only key, again, that's the budget. If we do not

have tax raise, it's going to be very hard.

MR. BUSH: I've skipped over John Brandon. I'm very sorry, John, I apologize. You get the last word.

MR. BRANDON: Thank you, Richard. I'm John Brandon. I'm with the Asia Foundation. Over the last four years, I think it was Alexander who said that official diplomatic relations were reduced from 22 to 15. And Professor DeLisle talked about, well even if those diplomatic relations were reduced to zero they could -- Taiwan could still have robust and formal relationships.

I'm curious, how does this impact on the New Southbound Policy? You talked, Professor DeLisle, about robust and formal relations with the U.S. and with Europe, but would such relationships be possible in Southeast Asia or South Asia, or Australia. Thank you.

MR. DeLISLE: Well, the New Southbound Policy targeted countries are mostly ones that don't have formal relations anyway. It's -- if you look around the remaining 15, they're pretty small and pretty scattered, right. There are a lot in Latin America and the Caribbean. There is the Vatican in Europe. There's Eswatini down in Africa and the rest. There are a handful in the Pacific Islands, but those aren't major economic partners.

So, I think there really is a disjunction there in that the 15 that are left are of almost no international strategic or economic significance generally or for Taiwan. And so they really are part of this retaining an important marker for international status.

If you go through the criteria of statehood under international law, the last one is capacity to engage in international relations. This is the formalist dimension of that. And I don't want to suggest that it would be trivial if Taiwan were to be reduced to zero. I'm merely suggesting that the mainland squeezes Taiwan too close to zero. It puts Taiwan to a choice either doing something to push back, which could return us to some of the Chen Shui-bian era type things. Or it temps Taiwan to switch to this alternative strategy of

stressing de facto informal relations, which really are quite robust. That's still a second-best solution for Taiwan.

But in terms of New Southbound and things like that, I don't think it affects much because these are countries without diplomatic relations to begin with. And the thing that would really help with a lot of this, which is, these countries being able to enter into free trade agreements or other economic integration agreements with Taiwan is blocked by calculations of China's reaction.

I mean one of the hopes for ECFA back in the Ma years when that was first signed, was that it would open the door toward Taiwan entering free trade agreements with other countries, that if the TPP had gone forward with U.S. membership Taiwan might get into that. And if the RCEP, the China center, one might someday be open to Taiwan. But China's in effect, the gatekeeper for all of those.

MR. BUSH: Well I think we've covered the waterfront. Each of my sort of fellow panelists was on a plane from Asia in the last two or three days, so they're probably ready for a nap. I don't have that excuse. But I think now's a good time to bring this session to a close. Thank you very much for coming. Please thank members of the panel.

(Applause)

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