

**Sigur Center for Asian Studies**  
**The George Washington University**  
**New Actors and Factors in Cross Strait Relations**  
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[Note: Due to the accent of some non-native English speakers, some words are hard to understand, also, the microphone didn't work well during the Q&A, hence the "indiscernible" notations.]

Shawn McHale: I think we'll get started. I wanted to wait a few extra minutes because of the difficulty that Washingtonians have in dealing with tiny amounts of ice and snow.

I would like to welcome all of you to this conference on *New Actors and Factors in Cross Strait Relations*. It's a particular pleasure for me to be back after a year in Asia, a year which perhaps underlines how important it is not only to understand Taiwan issues and Asia issues from a Washington perspective but in an Asia perspective as well.

This particular conference takes place obviously at a very opportune time. We have, first of all, a new administration that has come into Washington, the Obama administration, and so therefore we can wonder how that's going to affect relations with Taiwan, China and cross-strait relations. But, of course, it's also an interesting time because of transformations or potential transformations in cross-strait relations. I'm not going to talk very long. I want to cut back my remarks on this. One thing I will say that was driven home to me by my last year in Asia was that we can look at cross-strait relations in two ways, a very narrow one and a very expansive one.

Narrowly, we can think of them as an issue which essentially concerns Taiwan and China and that's it. Or even more broadly perhaps, an East Asian issue but the fact is that cross-strait relations are of interest to many countries in Asia, not just in East Asia, because many of the countries are intensely curious about how China is going to deal with conflicts,

whether they are across straits, whether the issue is with the South China Sea, Burma, you name it. So, it's particularly interesting to address this issue particularly since China has been making all sorts of noises recently, all sorts of comments recently about how it wants to change its approach to cross-strait relations.

Some of you may remember, I think it was two years ago, three years ago, we had a conference on looking at international organizations, nongovernmental organizations such as the World Health Organization and the desire of countries like Taiwan to have a place, some place in them. Very recently, Prime Minister Hu Jintao actually said or implied that perhaps China will drop its opposition to Taiwan taking a place in some of these organizations, an indication of, perhaps, some change. But of course, it's also a very interesting time not just for China and Taiwan, East Asia and Asia as a whole. It's also a tumultuous time within Taiwan itself both because of economic crisis but also because of the trial right now of former President Chen Shui-bian.

So taking all these together, the question occurs, is there actually a new paradigm for cross-strait relations emerging and what is the significance of these new moves, not just for Taiwan and China but for Asia as a whole? I look forward to actually hearing from our distinguished guests today, addressing a wide range of issues including these issues. Without further ado, I'm going to turn the panel over to the moderator for this panel, Ed McCord.

Edward McCord: Thank you very much. I'm Ed McCord. I'm actually the director of the Taiwan Education and Research Program here at the Sigur Center, but unlike what some people think, I'm actually not responsible for what happened today. I'm really pleased with the turnout but I was not involved with the planning. I won't take any credit for what was done by the Sigur Center staff today.

We have a very interesting panel, I think. The topic of the panel is going to be political change in Taiwan and its impact on cross-strait relations. There are, of course, very few places in the world where there's such an intermingling of domestic politics and international relations and then we see this in the Taiwan case over and over and over again and so I think that's a very nice time to actually look at that problem again.

We have three excellent speakers today. They're going to give us three different perspectives on these issues and we'll start off with Professor T.Y. Wang from Illinois State University. I think you have introductions that you received here, a little bio, so I won't do that. I'll just turn it right over to him.

T.Y. Wang: Thank you. Thank you, ladies and gentleman and distinguished colleagues and I really appreciate the center's invitation.

The topic that I would like to present today is expanding Taiwan's international space, I think, because this demand made by Taipei's incumbent government struck very hard at the cross-strait relations and therefore I think it deserves some investigation. This research is an ongoing research. For this research I visited China and Taiwan and talked to many scholars and people in the think tanks and officials both in China and Taipei and plus I also used about 15 years of survey data collected in Taiwan so I'm going to present it here and I'd appreciate your comments and critique.

Now, as we know President Ma Ying-jeou, after he assumed office last year, he announced that his policy, the policy of his administration will be based on three. One is that there will be a Three No Policy: No independence, no unification, and no use of military force. And his administration would like to maintain the cross-strait status quo under the framework of the Constitution of the Republic of China. Because the Constitution of the Republic of

China -- the official name of Taiwan is based upon One-China principle -- and therefore he further indicated that he would like to advance cross-strait relations on the basis of 1992 Consensus which in essence is the “one China with respective interpretation,” that means both side of the cross-strait will agree that there is only one China but each side would reserve the right to interpret what One-China is. This policy position is in sharp contrast to the policy of the former President Chen Shui-bian’s administration, as we know that President Chen had a very strong pro-independence credential and his affiliated Democratic Progressive Party is the only major political party in Taiwan that has a plank pursuing Taiwan’s de jure independence.

President Ma’s expectation is based upon this “agree to disagree” formula, both sides of the Taiwan Strait will gradually move toward recognizing each other or at least not denying the existence of the other side and therefore, both sides of Taiwan Strait could peacefully co-exist.

Now, Taipei’s demand for international space has basically consisted of two requests. One is to allow Taiwan to participate in various international organizations and also agree/allow Taipei to establish diplomatic relations with other countries. As we know, as China becomes increasingly powerful, many countries have broken diplomatic relations with Taipei in order to establish official ties with Beijing; this especially happened during the 1970’s and 1980’s and after Taipei lost the U.N. membership and then Taipei also lost a lot of membership in international organizations. Therefore, President Ma’s call on the Beijing leaders basically is to ask them to stop isolating Taiwan internationally. This call is not new as we know because the former President Lee Teng-hui of Taiwan and also President Chen Shui-bian of Taiwan both have made a repeated call on Beijing and because this diplomatic isolation or I should say this call actually reflects the deep frustration of Taiwanese citizens over the diplomatic isolation.

Initially Beijing's leaders' reaction to Taipei's call, especially in the 1990's, was to brand it as a separatist movement; even though if you look at 1993's white paper issued by Beijing as well as the 1995 Chinese President Jiang Zemin's eight-point statement which indicates that Beijing would be willing to negotiate with Taiwan with regard to this international space. But in general, the emphasis was on how much autonomy Taiwan will enjoy under the "one-country, two-system" unification plan. Instead, they treated Taipei's demand for international space as an attempt to create "One-China, One-Taiwan" or "Two-China" and therefore would be considered as an unacceptable separatist attempt.

But Beijing's policy becomes increasingly flexible since 2000 after the former President Chen Shui-bian got elected and by 2005, as we know that the former Nationalist Party Chairman Lien Chan visited Beijing and talked to Hu Jintao and in their joint statement of 2005 and explicitly Beijing indicated that they would be willing to negotiate Taipei with regard to Taiwan's international space, and specifically they pointed out Taiwan's membership in the WHO, the World Health Organization.

Why such change? First of all, Beijing leaders and their advisors realized that the Taiwan citizens' frustration over diplomatic isolation has direct bearing on their support for Taiwan's independence movement especially during Chen Shui-bian's term as a president, and this call for independence or at least not to unify with China has direct relationship with Taiwanese citizens' frustration and this will put Beijing's place hope of unification on Taiwan citizens or Taiwanese compatriots -- official slogan issued by Beijing -- in jeopardy and therefore, they understand this relationship.

Secondly, this is also a period where China is rising and therefore Beijing leader understand that time is on their side so they feel confident in dealing with the Taiwan issue.

Such confidence was clearly reflected recently this last September 1 visit, the foreign minister of China and one of the high-ranking official, the opening remark was that George W. Bush called Hu Jintao yesterday. He did not elaborate on the content but clearly from the tone, from the facial expression you can see that the pride was there, even the superpowers calling us for help. So they believe that they can make some sacrifices as a trade-off in order to win the hearts and minds of the Taiwanese people.

Thirdly, the third reason that is being raised by the Chinese scholars is that they would like to encourage Taipei's conciliatory cross-strait policy especially after Ma Ying-jeou becomes the president. This is the probably friendliest government in Taipei in recent history which can serve the conciliatory cross-strait policy, will be able to serve China's strategic interests because for the peaceful development. For this grand strategy to work, they have to avoid any possible military confrontation over the Taiwan issue. After all, for Beijing, the Taiwan independence movement will be the Achilles' heel for its grand strategy of peaceful development.

That said, Beijing leaders do have concerns. One of the concerns is that they are afraid that whatever agreements that have been established between Beijing and the incumbent Nationalist government in Taipei would be taken advantage of or be denied by the future government. After all, Taiwan is the democratic society. Of course, in Beijing, you don't call it democratic society; you call it society of electoral politics. So for them this is something that is of their concern. Consequently, they have two principles in dealing with Taipei's demand for international space. The first one is to continue to insist on the One-China principle. That means all efforts, all policies that they formulate should not raise Taiwan's status in the international community as a statehood, and all the efforts aim to win the hearts and minds of

the Taiwanese people but in no way that these policies or efforts would create “Two-Chinas” or “One-China, One-Taiwan.” So these efforts would be considered as temporary or considered as transitional efforts.

Secondly, to achieve this objective there is the principle of differentiation. Beijing leader has always differentiated the international organization to two parts, one is the governmental, the other one is nongovernmental. They have repeatedly indicated that they have no objection to Taipei’s participation in nongovernmental organizations. But for governmental organizations, previously they strongly objected, especially during Chen Shui-bian’s administration, in order to stifle what they perceived as a Taiwan independence movement. But in recent years, they relaxed that but they indicate that they have to be consistent with two conditions. The first condition is that the statehood should not be a requirement for membership. Which means United Nations and its 11 specialized agencies would be out of the question. Other agencies like WHO, FAO, Food and Agriculture Organization, UNESCO, these would be considered acceptable or there is a possibility for Taiwan to be a member. That means they would also have to meet another condition, that is, Taiwan, when they join these organizations, will have to be under the official designation of Taipei-China or Taiwan-China so it literally will be under the one-country, two-system unification proposal.

This imposed a challenge for Taipei and actually is also a challenge for Beijing, is that as we know no elected government in Taiwan would be able to accept the Beijing’s -- this One-China principle as defined. This can be seen from the public opinions polls during the past 15 years. As we can see from here is that from 1994 to 2008, the proportion of Taiwanese citizen holding Taiwanese identity dropped from 24 to less than five percent, whereas the Taiwanese

identifiers rose from 33 to 49. Right now in Taiwan, it is not Taiwanese and the competition between Taiwanese identity and Chinese identity but instead it's the Taiwanese identity versus a dual identity which means that they consider themselves both as Taiwanese as well as Chinese. This also has a direct relationship with the ethnic identity and also has a relationship with their national identity.

In 2002, I conducted a survey which shows that 80 percent of them considered Taiwan only as my country and also Taiwanese people only as my countrymen, even though 66 percent of them considered Taiwanese culture as part of Chinese culture. What this means is that the Taiwanese people separate their cultural identity from their political identity. They feel that they are part of China culturally but politically they are Taiwanese.

Now, how about their responses about the "one country, two systems" unification plan? Again, in 2002, this same survey shows that majority of Taiwanese people reject "one country, two systems" especially when they realize the fine line there because based upon the white paper as well as the practice currently put into in Hong Kong and Macau which will limit the Taiwan's right of adjudication, limit Taiwan's ability to purchase arms, conduct foreign affairs, and their rights to elect public officials. You see that almost 80 percent of them reject "one country, two systems" unification plan.

This does not mean that the Taiwanese people would like to pursue de jure independence. Again, using six category responses, we find that very few of them would like to pursue unification with China as it is today. Very few would like to pursue de jure independence. Majority of them would like to maintain status quo even though they are divided in terms of what the future relationship with China should be. Using this, if you combine those categories, we find that the proportion of Taiwanese who will like to pursue

unification drop substantially over the past 15 years even though the proportion of pursuing independence rose a little bit but not much, from ten to roughly 20 percent; about 40 percent of them consistently holding a wait-and-see attitude. Now what that means is that the future relationship between China and Taiwan is still yet to be determined because this 40 percent, if they join independence, they could pursue independence; if they join unification, then China and Taiwan could unify.

So what this means overall is that Taiwanese residents have a common desire for security, for autonomy and for dignity. This means that Ma's Three No Policy, packaged under this "One-China with respective interpretations," can best meet Taiwanese citizens' demand. What it means also is that it will be impossible for Ma to accept Beijing's conditions here. Again, just two months ago in mid-December, I conducted another survey here which shows that, first of all, about 52-53 percent of Taiwanese citizens support Ma Ying-jeou's One-China with respective interpretation because they believe this is a way to maintain the status quo between China and Taiwan.

Now, about the official designation of Taiwan in international organization, as an open-ended question, we find that Taiwan, 44 percent of them feel that Taiwan is the most preferred. After all, more than a decade of localization or Taiwanization gave them that preference. Republic of China would be second. Less than one percent prefer Taiwan and China. But we all know that Beijing leader is unlikely to accept Republic of China or Taiwan as official designation. Therefore, the next question I asked them is to force them to choose, what if you have to choose? Fifty-two percent would think that Chinese-Taipei would be acceptable; less than five percent think that Taiwan-China would be acceptable.

So what do we see from here is that Taipei has a much better chance to being in the membership of WHO, FAO, UNESCO, these organizations where statehood is not a requirement. It's a political reality and I believe that Ma Ying-jeou's administration understands that. And then in terms of official designation, Chinese Taipei could be a compromised solution. Not only would it be acceptable by Taiwanese citizens but also their presidents. Taiwan's membership in WTO, in APAC, in International Olympic Committee, they all have their presidents there.

In conclusion, Ma's presidency is an opportunity for improving cross-strait relations but it also has challenge. This challenge is again still back to this "agree-to-disagree" formula here. This will work only if the meaning of One-China remains ambiguous or if the issue is low politic in nature. Once you get into high politics such as let's say official designation, then it is a big challenge for both sides. Now if Beijing, forcefully, they impose their version of One-China principle, then Taiwanese citizens probably will see no other alternative but to support Taiwan independence movement even though they may not actually pursue de jure independence for fear of a violent response from Beijing. But then the peaceful unification of what Beijing leaders hope may evaporate.

Finally, Taipei's demands has its urgency because WHO is going to meet in May and immediately there will be the very important indicator of the cross-strait relationship, whether this can really bring both sides together and strike for a peaceful coexistence between China and Taiwan. Thank you.

Edward McCord: Thank you very much. We have some overflow seating here in the middle for people in the back that want to move down. Let's move right along now to our second speaker, Professor Shelley Rigger from Davidson College.

Shelley Rigger: Thank you very much. It's a pleasure to be here and it's nice to see that Washington is back in business. Out in the rest of the countryside, we felt like you all were kind of on some long hiatus from sometime in October until very recently. So welcome back. We're not really in business anymore down in Charlotte by the way so you may be seeing more of us from now on.

Well, T.Y. has just given us a wonderful and really fact-filled and food-for-thought-filled presentation on the macro and, sort of, policy dimensions of the current Taiwan and cross-strait issues. I'm going to jump now down to, for whatever reason I find myself mostly talking about, which is the micro and political dimensions of some of these same issues.

I think a lot of us expected that after Taiwan's presidential election last year, the situation in Taiwan would settle down, that we would enter into a period of, maybe not boring exactly, Taiwan is never boring but at least something a little bit less exciting than what we had been used to. And I, in fact, right before the election, I was talking to a journalist friend in Taiwan and I said, "You know, this could be really, really bad for your business." He's a freelancer. "Who's going to want to buy articles about Taiwan after Ma Ying-jeou gets elected and everything settles in to a steady pattern?" And he said, "Oh, no. I have no worries about that at all. Taiwan will continue to be -- in fact the more things Ma Ying-jeou does, the more Taiwan will be a front page news story." And this particular journalist, he was completely right. His stuff appears constantly in a variety of publications because the fact of the matter is that Taiwan did not slow down or calm down or disappear or get swallowed up or any of the things that people thought might happen after the presidential election.

So what I want to do today is just to talk a little bit about why I think things have not settled into some kind of comfortable and easy pattern since the Taiwan presidential election and to offer maybe a little bit -- really just mostly questions about where things may be headed.

Obviously, the first issue that is continuing to roil the waters in Taiwan politics is the same economic setback that all the rest of us are dealing with throughout the world. Taiwan's economy has been hit particularly hard because the nature of Taiwan's economy as a sort of driven by high-tech exports which is just a sector that's been particularly affected by the global downturn. So Taiwan people, I think, are understandably very nervous and uncomfortable about not only the politics and the cross-strait relations and all that but also about the economic fundamentals of their future. So it's been a while actually that Taiwanese have been looking toward the future and feeling very uncertain about what it may hold in terms of an economic platform that makes sense for Taiwan and that allows Taiwan to continue to ride the sort of front edge of the global manufacturing and high-tech wave.

But now I think people are starting to wonder, has the wave broken completely and when the swells start to pick up again, or is Taiwan still going to be anywhere near the action? Or are we sort of being washed out to sea and have very little chance of putting ourselves back in the position we have been in since the 1970's as a kind of leading power for economic innovation and progress? So the economics of it are very scary and they're scary for good reasons and they're scarier for people in Taiwan, which is a very small market and a market that is very challenged by competitors, not only mainland China but also South Korea and many others.

So that's a lot, I think, of what is driving the political unrest and activity in Taiwan. And not surprisingly, despite the fact that this is a global economic downturn and people

everywhere are trying to figure out who should be blamed and it's a challenge to assign all the right blame to all the right places, in Taiwan, Ma Ying-jeou is getting blamed because Ma Ying-jeou is the president and when you're the president, you get blamed for the things that go wrong. But also I think Ma Ying-jeou is getting blamed for Taiwan's economic problems for two maybe slightly more justifiable reasons. One is that expectations for Ma Ying-jeou's performance were extremely high. His promises were extravagant although no more extravagant than any other politician's promises but his performance in office has fallen far short both of his own promises and of the expectations of the voters. So, part of his problem lies with just people's unwillingness to hear or disinterest in hearing excuses from politicians about why the economy is as it is.

On the other hand, Ma benefits from the fact that there is no obvious political alternative at this point. The DPP is extremely weak. Now you know there are obviously things that -- and I'm going to talk about the opposition next. There are things that you can look at and point to as evidence that the DPP is not as weak as I'm suggesting it is but I think structurally speaking and looking at T.Y.'s data in particular, you can really see that while people are very dissatisfied with the performance of Ma's administration, they are not really turning in droves to the DPP as an alternative or as a savior or as the government-in-waiting that will very soon lead Taiwan out of its troubles, and a big reason for that is the fact that the most recent face of the DPP in political leadership, the face of Chen Shui-bian, is now mainly photographed underneath a pair of handcuffs so that makes it harder to see him as the savior of Taiwan going forward.

So, to talk a little bit about the opposition, I think after eight years in office or eight years at least controlling the executive branch through the presidency, the Democratic

Progressive Party is finally back in a position where they can do what they're really good at, which is to oppose the government. Governing has historically been a strength of the KMT -- we'll see whether that's actually going to work out going forward -- but certainly being a robust and energetic opposition has always been the DPP's greatest strength and they are showing that strength this year as they are sort of figuring out how to be in opposition against the Ma Ying-jeou government.

The best illustration of this of course was when the Chinese representative Chen Yun-lin came to Taiwan in November and the DPP and other social groups and organizations managed to mobilize huge numbers of people to protest Chen's visit and to really severely disrupt this giant photo opportunity that President Ma had arranged. So they have been successful in mobilizing the anxiety about the economy but also anxiety about what Ma Ying-jeou's policies toward mainland China will usher in for Taiwan. They've been able to mobilize all of this anxiety into action in these protests against Chen Yun-lin.

I think if we look at the protest, we see that there are a variety of voices represented there. There are people who are ideological opponents of the KMT and Ma Ying-jeou, and they are simply using this as a venue or they used that venue as a natural opportunity to do what they do, which is to protest against the current government and to show their unhappiness with the ideologies and policies of the KMT. You also have people in those crowds protesting Chen Yun-lin, who were genuinely worried about the direction of KMT policy. So whether or not they are consistent opponents of the KMT politically, whether or not they have a long-term affiliation with the DPP or some other political force, they see Ma's policies as too conciliatory and they are worried about what might happen.

And then I think there was a third group within the crowds protesting Chen Yun-lin who are just people who are really unhappy with the way everything is going and they wanted to voice their frustration. So the economics of the situation also came in even though these protests were supposed to be sort of aimed toward a political issue -- am I doing that? Sorry. They were supposed to be kind of aimed at this political agenda around cross-strait issues but I think that for a lot of people, what they were really doing was they were saying, "Things are not going well. We are not happy. Everybody's out here yelling, I want to be out here yelling too because I need to express this frustration, I need to express this anxiety, I need to express this sort of comprehensive unhappiness with the state of affairs in this country."

Now one thing that I will credit the DPP for, I think they did an excellent job, as a party, of getting out ahead of those protests which were pretty inchoate and bringing together people who were motivated by a lot of different factors. The DPP saw that this was happening and it was going to happen and they said, "We want to be the public face of this, we want to provide leadership or we want to at least appear to be providing leadership for these movements." So, on the one hand, that gave the DPP something to -- a kind of horse to ride after a year of really crushing political setbacks at the ballot box, they now have a new vehicle. But I think it also hurt the DPP a little bit because it undermined what many DPP politicians had been working very hard to cultivate as a more moderate image.

So forced to choose between sort of standing back a little bit from the anti-Chen Yun-lin protests and preserving the DPP's image as a more moderate and mainstream party, they jumped out in front of those crowds and now if you look at polling numbers, a lot of people have sort of gone back to their image of the DPP as a really, strongly pro-independence, anti-China party. So for example, after the protest, the percentage of people who said that the DPP

opposes increasing cross-strait economic exchanges went up precipitously suggesting that people see the DPP now as an obstacle to cross-strait progress.

So that's sort of the froth on the surface of Taiwan politics and it's all very interesting and it's also very important but I think that what's really interesting to me is the deep currents in this community. And there I would say we're seeing something almost scarier than economic meltdown and mobs of people in the streets and people are worried about all kinds of things. But what you have in Taiwan is you have a government that has come into office with a mandate to test a theory about cross-strait relations, about Taiwan's future, about the Taiwan economy. For eight years we tested a different theory. We tested the DPP's approach to cross-strait relations which was we can avoid dangerous conflict while at the same time steadily moving, expanding the realm of what is possible in terms of the promotion and reinforcement of a Taiwan-centric identity for Taiwan.

So Chen Shui-bian, he never made good on any of his threats, most of which he has issued since leaving office so we don't know that he ever -- it's hard to say what Chen Shui-bian thought when he was in office but the things he says is, now, "I wanted to promote Taiwan independence, I wanted to make these radical changes." The idea that Taiwan independence was possible was alive for people in the DPP and for many of their supporters for at least some portion of the Chen Shui-bian presidency. So you had this sort of theory that we can move away, we can drift away from the mainland and not get in trouble, not face consequences that are unbearable for Taiwan.

And I would say, and others would certainly argue with me, that this strategy or these assumptions, this sort of belief system about what is possible has proven to be incorrect, that Taiwan was not able to push itself as far away from mainland China, politically, as it hoped to

do without sustaining unsustainable damage to its own political position and mainly that means its relationship with the U.S. The U.S. eventually laid down the law, Washington laid down the law to Taipei, “You can’t keep on doing this and expect to have our unconditional support for everything you do.” So what I’m trying to say here is that the Chen model for where Taiwan could and should go was not able to be fully implemented because the international conditions simply did not permit it.

So now we’re going to find out whether the Ma Ying-jeou model works or not and the Ma Ying-jeou is basically maintain the status quo forever but play with the Chinese, stay light on your feet, keep the economy going through all manner of economic interactions with everyone you can think of, including and above all, mainland China. We can have it all. We can have effective de facto independence without giving up a good relationship with the U.S., without giving up a good relationship with China, without giving up the economic opportunities that globalization and cross-strait interactions allow; we can have all of these things and somehow we can slide through that incredibly narrow space between the Chinese and the Taipei -- the Chinese want it filled out with a comma, right? Taipei, China. The Taiwanese, Ma Ying-jeou wants to keep that space open, no comma, and slide through it.

And I think what’s really scary for people and it’s totally understandable to me why it is, is that we don’t know whether this is going to work or not, nobody knows. Nobody knows whether it will be possible for Taiwan to preserve what is fundamentally and definitively of value to the Taiwanese people without losing the opportunity to preserve good relations with the mainland on the economic and political fronts. So plan A didn’t work. Plan B is being tested for the first time and it might not work. And there is no plan C or maybe there is a plan C, it’s plan China and it’s unacceptable to people in Taiwan.

So what do you do with that? If you're living in a polity that's facing this kind of dilemma, what do you do? Well one thing you can do is to say, the problem is not plan A or plan B. Either plan A or plan B could have worked had they been implemented properly. So the problem was not Chen's approach to cross-strait relations or to Taiwan's future, the problem was Chen. The problem is not Ma Ying-jeou's concept, the problem is Ma. Another possibility is that you can blame the environment. You can say, well, you know what, Ma Ying-jeou's plan would've worked great three years ago when the economy was booming and we would've opened direct flights and pow! it would've had a huge impact overnight because there was all this stuff going on. The problem is you finally get the restaurant ready to open the day after New Year's when everybody is exhausted and they've eaten too much for the past ten days and they're all just like staying home, digesting and sleeping off the holiday. So maybe the problem is the environment or maybe the problem is the execution. It's a good model or it's a good plan but it just wasn't carried out correctly.

So this is I think where we are today. We've reached a point where a new model is being tested and there is no precedent for the things that Ma is doing, this is not the same thing. This is not the same thing that Le Teng-hui ever did. It certainly is not the same thing that Jiang Jinguo or Jiang Jieshi did. This is a new approach to cross-strait relations and we don't know whether it's going to work. And so as usual, I always conclude everything in exactly the same place which is it seems to me to a very, very, very significant extent, whether this works or not is up to China, up to Beijing, whether or not they can be flexible in the ways that T.Y. has just enumerated or whether the imperatives of Chinese domestic politics are going to prevent the Beijing government from sort of reaching across far enough to touch fingers with the government in Taipei. So we'll have to wait and see.

Edward McCord: Let me see if I can get this turned off. I can't. Anyway, so now, our next speaker, we're very pleased to have Professor Donald Rodgers joining us from Austin College. Even with some plane problems, I guess, we're very glad that you're here.

Donald Rodgers: Yes, we got hit by an ice storm in Dallas so it took me a while to get here but I made it. And then I have to tell you something if you promise not to tell my students. I went to open my PowerPoint last night when I finally got to my hotel room and it was corrupted so it didn't work. This is the 21<sup>st</sup> century version of the dog ate my homework, right? And so I had to re-create it last night. It's a little messier now than it had been, but again, don't tell my students that I did that and that I explained it that way because from now on, they'll want me to accept that as an excuse.

So I'm going to talk -- T.Y. and Shelley both covered and gave some good insight on some things I'm going to also discuss in terms of Ma's position and also in electoral politics in Taiwan, identity politics, electoral politics in Taiwan and how that will affect or it might affect cross-strait relations.

So in overview, I'm going to ask these questions. The big question is, how and why did Ma Ying-jeou get elected? Second, underneath that, what were some of the problems confronted by the KMT in the past that Ma and the party were able to overcome in the 2008 elections, not only in the presidential election but also in the legislative elections earlier in the year? What was that campaign strategy they had? Who voted for Ma and why? And now following that, why has his popularity tanked so badly so quickly? He had one of the shortest honeymoons in history, didn't he? Some of the recent data show his approval ratings in the high 20 percent range at the present time. And then finally, some of the implications of all that for cross-strait relations. Those are some of things that I'll talk about.

Now, how and why did Ma get elected? First, I want to talk a little bit about the background of the KMT and some of the ideas of the KMT and why the KMT ran into some problems perhaps earlier and why Chen Shui-bian was able to win some elections even with the controversy surrounding him. Of course, we have to look at KMT elite notions of identity and self esteem. Upon what do they base their identity and a lot of it has to do with being Chinese, of course, a strong sense of being Chinese. There is more Taiwanese creeping into that now but there is a sense of belief in the common blood, the common destiny of the Chinese race, of the Chinese people; we still see reference to that.

The ultimate goal of course of the KMT is unification, even to this day, although they have softened that language quite extensively -- I'll talk about that briefly -- the ultimate goal is still unification of Taiwan with China. And so much of the esteem of the party and the elites of the party was based on this notion of their rightful position to represent the Chinese people, both in Taiwan and in mainland China, and for the longest period of time, of course, they held a strong position that way. This was attacked first of all by the rise of China and the increase of power of the Communist Party and the increasing economic power of China but also attacked internally by the rising Taiwanese identity.

So what we've seen even with this notion of esteem, we still have underpinning and a desire for unification and we've seen different phases of that, the varied approaches that range from the old Three No's -- no contact, no negotiation, no compromise -- to Lien's discussion of moving from zero-sum to a win-win for both sides and the new Three No's that Ma Ying-jeou talks about. Still, even though Ma removed unification from the table during the campaign and during his presidency, underlying, again, underpinning the KMT's policies is still the ultimate goal of reunification.

Just as an example of the kind of statements that we see, from Wu Po-hsiung in December, “People across the Taiwan Strait share the same bloodline within the Chinese nation and we are leading toward to the creation of cross-strait grand peace, grand prosperity.” So this is a sense of common blood and common destiny. They need each other. And in this instance I would argue particularly that the Taiwanese need China for their prosperity, for their peace, for their survival. So this is part of the KMT identity and underpinning goals of that.

Of course in the past, we looked at KMT behavior, we see the promotion of Chinese over Taiwanese, the segregation, earlier on, of Taiwanese from Chinese, the argument that Taiwanese, as a category, is an artificial creation; there is no such thing as Taiwanese. It is a subcategory of being Chinese if anything. The Taiwanization program that we so often hear about, initiated by Jiang Jingguo, was really an effort to assimilate Taiwanese elite into the KMT power structure, not to create a Taiwanese power system. And localization programs in Taiwan have -- and continue under Ma -- to focus on the essential link between China and Taiwan for Taiwan’s benefit. So, localization still has a link to China. China is necessary for the survival, the strength, the prosperity of the local, is what they’ve talked about. Of course, all of these things, these ideas, the power, the esteem were attacked in ’98 elections, 2000, 2004 elections when the KMT really started to lose ground to the DPP.

And what were the real threats to the KMT power then? Of course, rising Taiwan identity. We’ve already seen some data, and I have some more I’ll go through very quickly, about the notion of rising Taiwanese identity, declining Chinese identity and this category of both that’s so important. Also the KMT is recognized by many people in Taiwan as a party that represents the interests of the Chinese and not the Taiwanese. An interesting question that comes from one of the national elections, the National Chengchi University Election Study

Center, they asked a question about -- and I'll show it -- about who the KMT represents. So these attacks occur.

First, we have the rising China, the strength of the Communist Party under this new economic reform. Externally, an ambiguous position from the United States externally, and then internally we see this emergence of Taiwanese identity that is perceived to be an attack on the KMT. We have forgotten this a little bit, probably too quickly, the sense of panic that was felt through -- that rippled through the KMT in 2004 at least particularly among the deep blue. The sense of fear that we have lost forever our power on this island and they really didn't recover very much until 2005, later 2005 when some of the more recent problems of the DPP started becoming more apparent and the KMT elite started saying, "Wait a minute. Maybe we're not done here, we have a chance here."

So we have to look at how they address that, what did they do? The KMT realized that it had problems advocating Chinese identity and unification as its primary platform. It had little to offer an increasingly Taiwanese-identified population if that was going to be its platform. At the same time, the KMT elite are bound, their identity, their self-esteem, their power base has so long been that connection to China that they couldn't simply abandon and say, "That stuff we said about being Chinese before, we've changed our minds now." They couldn't do it. If they had tried, even electorally, it would've been ridiculous, so it was impossible.

So they had to find a way to sell themselves, if you will, and to maintain that connection to China while at the same time being able to communicate with a Taiwanese-identified voting public, and this is what I think they did quite effectively in winning these elections. So we have the identification, T.Y. already showed some of this. This is from the TEDS data, Taiwan

Election and Democratization Study data. I just got the 2008 presidential data the other day so I haven't had the chance to look at it too much yet but this comes out of that. So we see 2004 to 2008, those who identified themselves as Taiwanese even increased from 45.8 to 53.1 percent in this survey, both -- and then Chinese and we see the ongoing decline of Chinese identity.

We have then -- excuse me -- also some look at the notion of unification versus independence, and I won't go through all of this; again, we've seen this but this is actually from TVBS, a news station poll, and we see starting in 2002 all the way down to the presidential election in 2008 that those who prefer unification has steadily declined and this is according to TVBS; only seven percent of the people in Taiwan prefer unification and of course maintaining status quo is the most important thing.

Then we see this question that comes, again from the TEDS data, is the KMT a party that represents the interests of the Taiwanese people or the interests of Chinese people? We've seen a change in this, a positive change for the KMT which I'll come back to. But as we see, that in 2004, more people saw the party as a party that represented the interests of the Taiwanese than the Chinese. This is a problem of course for a party and a society where Taiwanese identity is increasing. This is probably not a good place to be. We've seen them address that a little bit and obviously and so 2008 we see the people who say the KMT addresses or represents the interest of the Taiwanese increases instead of decreases. That indicates some positive things that KMT has done. It also may be a reaction, of course, to the perception of the DPP and the problems the DPP confronted.

So, how did the KMT respond to this in its campaigns, in its election and what is the outcome of it? Part of the KMT did was re-frame its link to China, re-frame its Chinese

identity, if you will, to some extent and, in part, removed, of course, re-unification from the table, at least for the time being, as an open discussion. Instead they focused increasingly on the common goal of economic prosperity. They self-defined as moderate pro-localizationist, this is versus the radical pro-localizationist of the DPP which Shelley addressed a little bit in saying these policies were perceived to cause unrest and concern and animosity between China and the United States. And so the KMT said, “We’re pro-local, we’re pro-Taiwan and we’re going to be moderate about it. We’re not going to threaten Taiwan. We’re not going to harm Taiwan’s status with the rest of the world.” And so we see the old to the new Three No’s; the old, again, Three No’s -- no contact, no negotiation, no compromise. The new, most important, no negotiation of unification with the mainland, Ma says, while I’m in office.

The KMT, one of its responses was to blame the DPP for economic problems and I have a quote here basically looking at lost development opportunities, “One of the reasons our businessmen aren’t doing as well as they could be is because the DPP’s restrictions on doing business with China therefore it’s essential that we get rid of that policy and move to a new one.” Interestingly, more recently, Ma actually credited the DPP specifically in saying that thanks to the work of the DPP in establishing the “mini three links” and some of the things, we’ve been able to make further progress in establishing connections with China.

So another thing the KMT did in its campaign is it did reference Taiwan identity or Taiwanese identity and Ma Ying-jeou himself said, “We believe that while Taiwan identity is essential, we have to act rationally.” So once again this is that moderate pro-localization policy. This is a moderate pro-localization idea. We love Taiwan, we want to help Taiwan but to do so, we must act rationally and this will lead us in a positive way. Lien, speaking back in China in 2005, again references his notion of the common destiny of the Chinese people. I

won't go through some of the economic agreements they've had, they've already been addressed a little bit, but Ma Ying-jeou's principles of a cross-strait negotiation include dignity, equality, reciprocity, and finding commonality among differences. How well he's done that is open to question right now and the public perception of it seems to be open to question for sure.

One of the things I wanted to look at then is who voted for Ma? What put the KMT into the position where it won by a landslide when, of course, the last few elections had been so close, the 2004 infamously close election? This one was by most standards a landslide and certainly by Taiwan standards a landslide. Who put him over the top? And one of the things I speculate about and I don't know, I haven't had a chance to really analyze this but it has to do with the notion of the Taiwanese identifiers and if we take that question that says, do you identify yourself as a Chinese or Taiwanese or both? And then ask the question, does the KMT represent the interests of the Taiwanese or Chinese, and put those together, we start to see some interesting things.

People who identify themselves as Taiwanese in 2004 said, 11 percent of them -- only 11 percent of them said that the KMT represents the interest of the Taiwanese people. In 2008, it goes up to 16.4 percent. When we look at the vote, we see that those people who identified as Taiwanese and believe that the KMT represents the interests of the Taiwanese, we saw a significant percentage of them vote for the KMT, 61.7 percent in 2008 of those people voted for. This is double -- that voting bloc doubled for the KMT in 2008 from 2004.

So, that many more Taiwanese-identified people moved toward the KMT. And why did they? Now, some of the survey data shows -- I've seen several different surveys that say the same thing. If you voted for Ma Ying-jeou, why did you vote for him? Number one, economy and the numbers on that range from 50 percent to 60 percent. Others talk about DPP's

performance. When we look at what the people wanted Ma Ying-jeou to do in his first term of office, people asked responded by saying they wanted him to address the economy and bread-and-butter issues, so it's clearly economic that affected this vote. Cross-strait relations were not that significant in this, according to some of the survey data.

So what's happened since that time? Well, Ma has come into office and he did exactly what he promised he would do. He increased regulations, ties with China, they opened up direct talk, they've opened more direct flights, they've negotiated various trade agreements, opening up the agricultural markets, all of those things, just as he promised he would do in the election, and what's happened to his popularity or his approval rating? Boom, hits the bottom quickly. What's going on? This is one of the questions we must ask? This is the most recent survey I've seen from the Global Views Survey Research Center that 27 percent of those survey approved of Ma's performance, 57.3 don't and trust is also very low with Ma Ying-jeou. What's going on? Satisfaction, same thing. The *United Daily News* poll shows that 46 percent are satisfied at that time, 37 percent dissatisfied, but more importantly the reason that people were unsatisfied or dissatisfied with Ma is that he has not boosted the economy. And mind you, this is about seven months after he gets into office, so it's all his office. I don't know if Obama's going to feel the same pressures or not.

One of the other questions is whether there is a perception that Ma will betray Taiwan's national interest? It doesn't seem like there's a very strong perception that people are that worried about that or that many people are that worried about it, but it's interesting in itself that that question has to be asked or is being asked. And then we see the satisfaction on the economy, "are you satisfied with how the Ma administration has performed in improving the

economy?” And we see, of course, “no, not very satisfied.” People are not very happy with what Ma has done.

Another issue that comes into play is this relationship with China. So what the KMT did to salvage itself was to expand links to China, to talk about the essential relationship between China and Taiwan creating peace, prosperity, and stability. One of the things that hinges on -- and Shelley touched on this -- is what about China? What’s China going to do with this? And one of the concerns we see in Taiwan is that -- this is from the *Mainland Affairs Council*, a survey that they spun very positively but when you look at the numbers, it’s a little troubling. Do you consider the Chinese government to be friendly toward ours? Forty-seven to forty-eight percent say yes; 48 percent say no. That’s a lukewarm at best endorsement of the sense that things will go well if we open up to the mainland government, if we start to negotiate with the mainland government. There are concerns that that can only go so far. When we look at the numbers about whether Ma has gone too fast or too slow in these negotiations, 47.5 percent of the people say it’s been just right, that they’ve moved just quickly enough to open up to China and that’s a good thing but we still see 37.2 say too fast; we’re a little cautious about this and this is making us nervous.

So what are Ma’s problems? The last thing I’ll say pretty quickly. Ma’s problems: He got elected by advocating the essential nature of the link between China and Taiwan; he got elected by promoting the idea that that would improve Taiwan’s economy, that that would create peace and stability for the Taiwanese people; he took unification off of the table. But there are some real problems with that.

Part of what he had to do to get elected was to reach out to Taiwanese-identified voters but they voted for him, we think, specifically because of economic performance and they do

not have much interest in and concern with sort of symbolic gestures of the grand brotherhood of the Han race or the sense of symbolic accomplishment by having photo opportunities in Beijing or Taipei between leaders of these governments.

These Taiwanese-identified voters want very specific, very tangible and very immediate economic benefit to come out of this interaction. If that does not occur, their patience won't last. They're not patient at all. This is one of the reasons why we see Ma's approval rating plummet, is that there is little patience for this. We don't care, they're saying, about the symbolic gesture. We don't care about this shared bloodline and none of that matters to us. We want better relations with China because we want peace and stability and because we want to make some money off the Chinese market like everybody else is. That's what they want. So there's no notion of the solidarity or the abstract rules. They're not as supportive or not interested in the long-term goal of unification and they are therefore demonstrating a lukewarm response to the initiatives that have been carried out, a little bit of caution still and they want to see more immediate benefit.

So Ma has this balancing act now, like any politician has, Ma has a balancing act and it's one that he created himself or the KMT created themselves through their political campaigning and that is he has to be able to improve ties with China while at the same time maintaining the support of the green voters with different shades of green. He also at the same time must maintain the support of the various shades of blue and there's been some discussion about how much is he being influenced by the deep blue in this in his actions and some people have been critical that he has been overly influenced by the deep blue but he is having to play, within the party, a balancing act.

So he has to maintain that balancing control within the party. He has to obtain the appropriate concessions from China, which is not going to be an easy task as T.Y. and Shelley pointed out to us. And he has to find a way then to balance this notion of localization, being a moderate pro-localization party with being linked to China in a positive way that brings about immediate economic benefit to Taiwan. I don't know that he can do it; I'm not sure that he can do it. I think there's a very difficult task he's got ahead of him and I don't think that the average Taiwanese voter is going to be very patient in attempting in his goal and his efforts to attempt to achieve those goals.

The global economic downturn, one would think would have given him some breathing room and everybody would say, "The whole world's economy is stinky right now. Stupid Americans don't know how to handle mortgages and so we're in this mess." But it didn't help him at all. His approval rating is still plummeting; people are still blaming him for economic troubles. So he's on very thin ice there about how far he can go. I think that, of course, that his getting the concessions from China is quite important. I think it is impossible that China will offer adequate concessions to satisfy the Taiwanese voting public, and so Ma is going to have to find this formula that will make the economics work otherwise this will be a short-lived administration. That's all I have to say. We'll leave the rest for the questions. Thank you.

Edward McCord: So we still have 15 minutes for questions. So following our normal procedure, if you raise your hand, I'll identify you and then please identify yourself and if you have a particular panelist you want to address your question to, say which panelist that is and the panelist can either respond from your chairs or you can come up here, whatever you feel comfortable with.

Rose Chi-an [Phonetic]: (Speaking off-mike) Hi, I'm Rose Chi-an. [Inaudible] I appreciate the panelists [inaudible]. I wondered if there's any way has done or how many Taiwanese has spoken about living in mainland China because the [inaudible] one million [inaudible]. On top of that [inaudible] so I think that Ma Ying-jeou's high percentage [inaudible] overseas Chinese who has maintained voting rights in Taiwan election.

T.Y. Wang: Well for your question, there are two parts of it; one is how many Taiwanese citizens live in -- especially business people -- live in China, live in Chinese mainland. The estimate -- it's just an estimate, we don't have the actual figures, the estimate is about a million people, one million Taiwanese businessmen. That again, is just an estimate.

The next question is, how many will actually return to Taiwan during election season? Judging from past experience, not many. But I think your point is well taken is that something will tip the balance in that tight election such as like 2004 election. But in the 2008 election where Ma's win was a big a margin, then that becomes relatively insignificant. Both parties tried to mobilize overseas Taiwanese as well as the autonomous business people in China to return to Taiwan to vote, but again, only when there is a tight election then it will make a significant difference. Otherwise like in 2008, it probably won't. Again, the figure I gave you is just an estimate.

Donald Rodgers: I also don't know of any surveys that have been done that really gets to the heart of that. We do know, yes -- about a million people from China -- we do know that both sides actively recruited people to come back and vote. Anecdotally and just gut feeling is that they probably almost balance each other out in the end. So we don't know that. I mean, this is just speculation. At one point hopefully we'll see if somebody has done some good survey work, exit polling to see where are you're from, who did you vote, those kinds of things.

I don't know and I agree, because of the margin of difference in this election, it probably didn't matter as much as it would have in 2004.

Chao Chen: Chao Chen, freelance correspondent --

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