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# RSIS COMMENTARIES

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## Taiwan: After the KMT Landslide

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*The landslide victory by Taiwan's opposition party, KMT, in the January 12 parliamentary election is likely to mend the domestic ethnic split and improve Taiwan-China relations. This will bring peace and stability to the Taiwan Strait and remove the last flashpoint of the Cold War in this region.*

**THE LANDSLIDE** victory by the opposition party, Kuomintang (KMT) was a trouncing of the ruling Democratic Progressive Party (DPP) in the January 12 parliamentary election. The outcome will set a new milestone for Taiwan's politics and potentially bring a positive impact on Taiwan-China relations.

### Political Significance

The election results are politically significant for several reasons. The first is that a two-party system appears to have emerged with the KMT being the dominant party. This is likely to be the case for the next several years as a result of the new electoral system adopted in this election, which favours the incumbent in power. This new system is based on the single-member district, with hardly any room for smaller parties.

In terms of seats, KMT won 81 out of total 113 parliamentary seats, while the ruling DPP won only 27 seats. One seat went to the People's First Party, while the remaining four were taken by individuals.

This election has also become a barometer for the presidential election which is to be held on March 22. The landslide victory will re-shape the political landscape. The likelihood of a pendulum effect as expected by DPP's presidential candidate Frank Hsieh is low. In other words, KMT's presidential candidate Ma Ying-jeou is very likely to be elected Taiwan's next president. With both parliamentary majority and administration resources at hand, the KMT can be expected to dominate Taiwan politics for quite a long time.

More important than power distribution is the potential mending of the social cleavage in Taiwanese society. In the past decade, to garner political support, the DPP maximised and manipulated the ethnic

cleavage along the line of pro-independence (Taiwanese) vs. pro-unification (Chinese). KMT's victory totally discredited DPP's strategy in this regard and will help mend the decade-long divide. The DPP has to amend its policy and move toward moderation to effectively conduct the coming presidential campaign.

The DPP-proposed referendum is also discredited. From the beginning, the DPP pursued the referendum strategy as a tactic to mobilise supporters at the expense of Taiwan's international reputation as well as peace and stability in the Taiwan Strait. DPP's defeat will formally put an end to the abuse of referendum and return it to its value as a mechanism for addressing public policy. This implies that the DPP-proposed referendum on joining the United Nations under the name of Taiwan in the coming presidential election will lose its significance.

### **Regional Significance**

The important geo-strategic outcome of the parliamentary election is the likely positive impact on Taiwan-China relations. The KMT has persistently refused to take a hostile line towards China. The electoral outcome has endorsed this stance and overturned the DPP's confrontation-oriented policy towards China. The outcome gives a new mandate for improving cross-strait relations.

It should be emphasised that seeking improvement does not necessarily amount to a total negation of Taiwan's identity. Rather, Taiwan's identity has been ingrained since the democratisation process started in the early 1990s.

More than merely de-escalating the strained relations with China is Ma Ying-jeou's ambitious roadmap for cross-strait relations. He has said that if elected president, he will promote confidence-building measures and end hostilities with Beijing for an eventual peace agreement with China based on the "1992 Consensus". This is interpreted as a position that favours both sides of the Taiwan Strait agreeing on only one China, but with each side having a different interpretation over what constitutes One China.

The same can be said of Taiwan's diplomatic policy. The confrontation-oriented diplomacy is likely to be replaced by a moderate and consultative approach in order to repair damaged relations with Taiwan's most important ally, the United States, and with Japan.

China has revised its Taiwan policy since Hu Jintao took office. At the 17<sup>th</sup> Chinese Communist Party's congress held last October, Hu, in his capacity as the party's Secretary General, proposed a peace agreement with Taiwan under the One China principle.

All these developments imply that the Taiwan Strait is potentially entering a period of peace and stability, at least in the next several years. This emerging qualitative change in the Taiwan Strait is likely to gradually remove the last flashpoint of the Cold War in this region.

### **Challenges Ahead**

There is no doubt that a new mandate in Taiwan has been established. It is a mandate for more economics than ideology, more ethnic reconciliation than ethnic division, and more moderation than hostility in the Taiwan Strait.

Euphoria however should not blind the potential challenges ahead. The first involves the KMT's ability to govern. KMT has not been in power for eight years and circumstances have changed. There will be no honeymoon period for the party. People voted for KMT with an expectation that it can perform better than the DPP with the memory that the KMT in history brought an economic miracle to Taiwan. KMT has to prove that it still can govern.

The second challenge is China's potential response. People have higher expectations with KMT than DPP over the cross-strait issue. If KMT fails to show any meaningful performance in the first two years should Ma Ying-jeou win the coming four-year term presidency, a backlash may emerge against the party. A golden opportunity will then be missed again. This is because entering the third year, there will be another round of presidential election in Taiwan, and KMT's inability in this regard will give ammunition to those opposing better relations with China. (Each presidential term is for four years, which in this case, will be from May 2008 to May 2012 for Ma if he is elected. Campaigning for the 2012-2016 term will start in 2011.)

The issue is how China will respond to Ma's cross-strait proposal. Faced with the higher expectations, China has only a one-time opportunity, and China's response has to win Taiwanese hearts without stirring up its own domestic backlash. This is a no small challenge.

Related to China's response is that of the new US administration which will take office in January 2009. How will the new US president perceive the potential interaction in the Taiwan Strait? It is imperative for a KMT-led Taiwan to find a balance between China and the US.

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