



Challenges ahead for all: Ko, the DPP, the KMT, the US, and China by Bill Sharp

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The demonstrative Nine-in-One Election victory of Ko Wen-je as mayor of Taipei, the Democratic Progressive Party (DPP) capturing five of the largest municipalities, and its triumph in 10 out of the 16 mayoral and commissioner races are testament to the growing maturity of Taiwan's democracy. The general lack of violence or public protest in this island-wide contest for 11,130 political offices and the fact that electoral results were public within three and one-half hours of the polls closing without challenge (despite minor charges of vote buying in southern Taiwan) provide further evidence of that maturity.

These were local elections where issues such as food safety, housing costs, the hollowing out of Taiwan's economy, nuclear energy, energy costs, and income inequality prevailed. The vote did not turn on cross-strait relations.

While impressive, the win does not guarantee Ko's success or the capture of the presidency by the DPP in 2016. Nor does it mean that the Nationalist Party (KMT) will not spring back to life.

Despite his ability to connect with young, swing, and KMT crossover voters by advocating greater transparency and increased accountability, Ko has to prove he can run a city of over 2.5 million people while maintaining his identity as a new-style independent politician. He must work not only with the DPP, with whom he is considered to share political sentiments and which feels it is owed by Ko for support during the vote, but he must also work with the KMT. This will be especially important on issues that involve the national government since the KMT holds the presidency, maintains a majority in the legislature, and is served by a bureaucracy with historically pro-KMT inclinations.

Acknowledging his lack of experience in politics and governance, Ko persuaded People First Party Chair James Soong to serve as his policy advisor. If he succeeds with his open, transparent style of governance and with the services of pan-blue coalition member Soong to help close the green-blue chasm, he might become a viable 2016 or 2020 presidential candidate, although he denies any such interest. While the notion of a Ko-Soong Presidential/Vice-Presidential ticket to usher in an era of "turquoise politics" is intriguing, it is unlikely. A candidacy by independents without a proven island-wide support system is difficult to imagine. Soong is a skilled administrator with a deep knowledge of Taiwan given his tenure as governor of Taiwan and has recently struck up a

relationship with Chinese President Xi Jinping. However, his electoral appeal is questionable: in the 2006 Taipei mayoral race he only received 4.14 percent of the vote, and in the 2012 presidential race he only gleaned 2.77 percent of the vote despite being touted as a serious third force.

For the DPP, the problem is simple: the party must now govern. The DPP members elected as commissioners and mayors need to learn from Yilan County Commissioner Lin Tsung-hsien, Kaohsiung Mayor Chen Chu, and Tainan Mayor William Lai, who are rated as the top three leaders in Taiwanese local government. Like Ko, DPP local government leaders must deal with a central government very much dominated by the KMT and might try to impede DPP success. They must govern with inclusive, creative, proactive solutions and be willing to compromise with all parties to build records of success.

To capture the presidency in 2016, the DPP not only needs to govern at the local level, but it also must create an economic policy that will pump life back into the hollowed out Taiwan economy created by the KMT. Many in Taiwan feel that the Chen Shui-bian presidency did not have effective economic policies and that if the DPP comes back to power there will again be little economic progress.

Former DPP Minister of Finance Lin Chuan and DPP Secretary General Joseph Wu envision an economy with more domestic focus, guided by industrial policy with government subsidies to struggling industries, and more attention to small- and medium-size businesses. While they advocate cutting red tape to spur economic growth, it's difficult to see how they would do so given the government role in the economy that they anticipate. They also emphasize free trade agreements (FTAs) with other countries. That is unrealistic, however. The China-friendly KMT has only been able to complete FTAs with Singapore and New Zealand because of Chinese interference. Attempted agreements with Chile, Australia, and Malaysia are cases in point.

The DPP needs to go farther in developing and embracing a more realistic China policy. Its *2014 China Policy Review: Summary Report* is a first step in acknowledging the importance of a positive relationship with China for economic benefit and regional stability, yet the document puts as much emphasis on preserving Taiwan sovereignty. Its rejection of the '92 Consensus troubles China and hinders official interaction between the CCP and DPP, although more unofficial lines of communication are opening between the parties. The one country, two systems model of unification advocated by China has never been well received by Taiwan. After the Umbrella Revolution in Hong Kong, it is even less attractive. Just as the KMT maintains the status quo by persuading core supporters of the "possibility" of future unification, the DPP must persuade voters of the need to

maintain the status quo while holding out the prospect of independence. Doing so would make both Beijing and Washington more accepting of a DPP government but this is extremely difficult for the DPP given its factionalism. When he assumed the presidency, Chen Shui-bian tried to engage China and did not advocate independence but the deep green wing of the party threatened to join the Taiwan Solidarity Union, which advocates independence now.

Even if DPP Chairwoman Tsai Ing-wen is elected president in 2016, she will have a difficult time leading Taiwan since the KMT is likely to maintain control of the legislature. The delineation of electoral districts, ethnic idiosyncrasies, regional differences, the size of its war chest, and its grassroots organization all give the KMT distinct advantages. Many in the DPP and others call for constitutional change noting that in the 2012 legislative election the KMT got 48.1 percent of the vote yet claimed 63 percent of legislative seats; by contrast, the DPP got 44.5 percent of the vote yet only won 36 percent of the seats.

The biggest challenges for the KMT are regaining public trust, shedding its image as an elitist party that caters to the wealthy and focuses on cross-strait relations for the benefit of its big business benefactors. Given Ma Ying-jeou's influence over Taiwan politics as both KMT chair and president, it is obvious that his leadership was a major factor in the KMT's stinging defeat. The attempt to expel popular Legislative President Wang Jin-pyng from the party and pushing the trade service agreement by threatening to withhold campaign support or fining KMT representative members who do not support him added to KMT factionalism. Delaying his resignation as party chair has reinforced an image of personal and party arrogance, and heightened the disconnect between the KMT and the man on the street. It's difficult to see how Ma's remaining in the presidency and insisting on his approach to governance will move the party in a more positive direction. His Cabinet reshuffle is considered a façade that will change little. He apparently feels that his presence is needed to ensure that the process of cross-strait relations that he has created will be institutionalized.

All bets for a new chair focus on New Taipei Mayor Eric Chu who was re-elected by a mere 1.28 percent margin against a deep-green candidate thought to be well past his political prime. Before the election, Chu was considered a rising political star. Now there are questions about his political capital and ability to resurrect a divided, humiliated party.

The challenge for the US and China is to accept the prospect of a DPP administration in Taipei and to refrain from showing a preference for the KMT in the 2016 presidential election. During the 2012 presidential and legislative elections, the US was charged with favoritism toward the KMT. Washington will insist that in the run up to the 2016 elections that it is neutral. Given US interests and obligations to Taiwan in the Taiwan Relations Act, demonstrating neutrality will be difficult. China will find it even more difficult given its distrust of the DPP and its strategy of using Taiwan business interests in China to influence Taiwan politics. Failure to stay neutral will complicate America's and China's relationships with a DPP president. Let the voters decide.

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