

**MA YING-JIOU'S FIRST HUNDRED DAYS:
A GOOD LEARNING PROCESS?**

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Executive Summary

1. Ma Ying-jiou came to power with a very promising future. Not only did he win a landslide victory in the presidential election of March 22, his party, the KMT, also managed to win 87 (71%) out of 113 seats at the Legislative Yuan and 14 out of 23 county magistrate and city mayor positions.
2. But Ma Ying-jiou's performance in his first hundred days of office was in general a disappointment. While his approval rate dropped from 66% to barely 30%, the rate of disapproval of his performance increased from 10% to 49% within the first two months of his presidency. Currently, nearly 72% of Taiwan voters remain dissatisfied with Taiwan's overall situation.
3. The fundamental reasons for Ma's poor scores in the first hundred days of his presidency are his personality and leadership style, and his deliberate but inept effort to distance himself from the KMT mainstream.
4. Ma developed his political career within a Leninist-style ruling party, the KMT. Having climbed up the ladders of the KMT's hierarchical structure, Ma was trained to be well-disciplined, loyal to the party, prudent, and well-rounded in political affairs. As a consensus builder and maintainer, Ma prefers compromise to confrontation when a policy dispute or political conflict emerges.
5. Ma is well educated and exposed to international affairs before he ascended to the top leadership. He is sophisticated and skillful in dealing with foreign leaders and handling issues with international implications – his handling of cross-strait relations while keeping a balance between Washington and Beijing is the only shining spot in the score card of his first hundred days in office.
6. Facing a politically divided and economically stagnant Taiwan, Ma is eager to be seen as a "Taiwanese president," an image he needs to establish in order to win the second term. Not only was his effort to conciliate with the pan-Green

camp given the cold shoulder by the pan-Green, it also alienated him from his own ruling party, the KMT.

7. Sandwiched between Beijing and Washington with their different, if not conflicting, interests on the Taiwan issue, Ma has deliberately kept his distance from the KMT mainstream, which has developed a cozy relationship with Beijing. Although this may help to assure Washington that he is a status quo keeper, his “separation” from the KMT mainstream has frozen his most important political capital and in turn undermined his leadership capability and effectiveness.
8. A stable and prosperous cross-strait relationship is crucial to Taiwan’s economic future as well as security. But Ma needs both Washington’s blessing and Beijing’s trust and cooperation to achieve this policy goal. Given Taiwan’s irrevocable economic (inter) dependence on China and its reliance on the US for security, it remains a tall order for Ma to keep a balance between the two mighty powers.
9. The unfolding money-laundry scandal of former President Chen Shui-bian has provided Ma with an opportunity as well as a challenge to reassert his leadership authority and effectiveness, which will be essential for Ma to regenerate the momentum necessary to improve his performance.
10. The key to Ma’s future success is whether he can rally his own party, the KMT, under his leadership. But there is a fundamental mismatch between Ma and the KMT in their policy orientations – the KMT is more domestic oriented in policy making while Ma has to strike a balance between international and domestic politics as well as among various socio-political forces. Different policy orientations between Ma and the KMT will continue to be the most formidable challenge to Ma’s leadership over his own party.

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Ma's disappointing 100 days in office

- 1.1 Compared with his predecessor (i.e., Chen Shui-bian)'s party, the Democratic Progressive Party (DPP), which had never won a majority in either Legislative Yuan (LY) or local government positions, Ma could not have it better when he was sworn in as the Republic Of China (ROC)'s 12th President on May 20, 2008. Not only did he win a landslide victory in the presidential election on March 22 (he received 58.45% of votes), his party, the KMT, also managed to win 87 (71%) out of 113 seats at the LY and 14 out of 23 county magistrate and city mayor positions. Ma's campaign slogan, "We are ready," indicated Ma's burgeoning confidence as he won the presidency.
- 1.2 The optimism that Ma was capable of making Taiwan "get better immediately" stemmed from the hope that there would be a quick improvement in cross-strait relations, which pre-conditions Taiwan's economic improvement.¹ Since former KMT Chairman Lien Chan's visit to Beijing in April 2005, the CCP and KMT have developed a substantially strong platform for cross-strait cooperation. Given Ma's acceptance of Beijing's position that the cross-strait dialogue must be based on the "1992 Consensus," it was widely expected that with Ma and KMT in power, the existing CCP-KMT platform would provide a solid foundation for the rapid

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¹ See Chen Chien-Hsun, "Ma Ying-jeou Facing a Formidable Economic Challenges," EAI BB No. 381.

improvement in cross-strait relations, which in turn would jumpstart Taiwan's stagnant economy.

- 1.3 Moreover, Taiwan's political structure favors the ruling party that controls both the executive and legislative branches of the government. Such a structure was developed under former President Lee Teng-hui, who has astutely strengthened the power of the presidency but let the LY control the resources where all the budgets for the adopted policies have to be approved by the LY. Such a dual-center structure – the President's office as a power center and the LY as the resource center – enabled Lee to dominate the policymaking during his reign, because then his party, the KMT, held majority in the LY. After eight unpleasant years under Chen Shui-bian,² it is Ma's turn to take full advantage of such a dual-center structure, given that the KMT now holds an overwhelming majority at the LY.
- 1.4 But Ma Ying-jiou's performance in his first hundred days in office was in general a disappointment. Ma's approval rate dropped from 66% to barely 27% within the first two months of his presidency. Meanwhile, the rate of disapproval of his performance increased from 11.9% to 60.4%.³ Thanks to Chen Shui-bian's explosive money-laundry scandal, Ma's approval rate has climbed back to 36.1% in late August; (see **Appendix**) yet nearly 72% of the surveyed in Taiwan remain dissatisfied with Taiwan's overall situation, particularly the economic performance.⁴
- 1.5 Ma's recent admission that he may not be able to achieve the 633 plan – 6% economic growth, 3% (or lower) unemployment rate, and US\$30,000 per capita – in his first term as promised in the campaign has caused such an

² A major reason for Chen's poor performance is that his party, the DPP, was never able to win the majority in the LY. Give the irreconcilable division between the pan-Blue and pan-Green camps caused essentially by Chen's reckless slicing-the-salami strategy, whatever policy Chen adopted would meet with formidable resistance from the LY, where the pan-Blue held the majority. As a result, Chen had to constantly change or modify his approaches in an attempt to have his policy approved by the LY. Chen therefore gained the reputation of being a "fickle president" (善变总统).

³ "馬就職兩個月國內十大政治人物聲望調查". TVBS. Retrieved on July 18, 2008.

⁴ 藍委忧：若非陈水扁涉洗钱 马英九民调会更低, Retrieved on August 21, 2008 http://www.stnn.cc/hk_taiwan/200808/t20080821_851437.html

uproar in Taiwan that he has to apologize three times to the public. Such an admission from Ma is inept and badly timed. It reveals not only Ma's weakness in caring too much about (and actually addicting to) his "honest and clean" reputation, but also Ma's and his administration's poor communication and coordination with the KMT leadership, which has indeed become the key problem for Ma's presidency.

- 1.6 Given Taiwan's high degree of dependence on the external economy, one can argue that Ma's poor performance can be justified by the unfavorable world economic situation. In this sense, the disappointment in Ma's presidency is largely due to his failure to fulfill his campaign promise – make Taiwan "get better immediately" (马上好起来). However, more fundamental reasons for Ma's poor scores in the first hundred days of his presidency are Ma's personality and leadership style on the one hand, and his deliberate but inept effort to keep certain distance from the KMT mainstream on the other.

Ma Ying-jiou: a moderate leader brought up by the KMT

- 2.1 Ma Ying-jiou has never been a revolutionary. He joined the KMT, the ruling party in Taiwan in 1967, when he was a college student. Essentially as a Leninist-type and revolution-hardened political party, the KMT upheld the principles that its members had to be obedient to the party leadership, devoted to the party's cause, and abiding by the party discipline. Ma had barely embarked on his political career in the KMT administration⁵ when the democratization movement began to unfold on the island, which started in the mid 1980s and eventually brought down the KMT in 2000.
- 2.2 Such experiences – surviving as a ruling party cadre amid fierce inter-party struggles on the one hand and dramatic external changes on the other hand – must have exerted a substantial impact on Ma, whose socio-political behavior underwent a noticeable change as his political career advanced in the KMT

⁵ Ma started his political career as Chiang Ching-kuo's English interpreter in 1982. He rose to be the KMT's Deputy Secretary General in 1988. He was ROC's Justice Minister in 1996 when the first presidential election took place in Taiwan.

political machine. Despite his active youth,⁶ Ma kept a low profile even when his political career began to soar in the late 1980s. As a party cadre, Ma was well disciplined, loyal to the party, prudent in decision making, well-rounded in political affairs, and sensitive to even the slightest political changes. As a result, Ma has kept himself virtually “spotless” in Taiwan’s political environment marred by rampant corruption.

- 2.3 On the other hand, unlike like his predecessor Chen Shui-bian, who came from a revolutionary opposition party and whose ascendancy to leadership was somewhat unexpected,⁷ Ma came to power after many years of climbing the political ladders of the hierarchically structured KMT systems. He has learned (and been trained) to be a consensus builder and maintainer. Although he can be persistent on matters he holds as important, Ma essentially is a peace maker, seeking compromises over confrontations when a dispute or conflict emerges in political affairs.
- 2.4 Ma was among the best educated in his generation. After graduating from the Taiwan National University, which was the most prestigious in Taiwan, in 1972, Ma went to the United States and received his SJD from the Harvard Law School in 1981. Being President Chiang Ching-kuo’s assistant for foreign affairs for six years (1982-88) and then the deputy of Taiwan’s Mainland Affairs Council in early 1990s, Ma was well exposed to international affairs.
- 2.5 Such a secretarial experience has not only enabled Ma to gain sophistication and skills in dealing with foreign leaders, but also trained him to be rational and moderate in handling issues with complicated international implications. (This forms a sharp contrast to Chen Shui-bian, who rarely got the nuance and

⁶ Ma was a student leader and an activist in social and political affairs during the years of his college and graduate studies. He participated passionately in the student “movement of protecting the Diaoyu Island (保釣運動)” in 1971. See “Interview with Presidential candidate Ma Ying-jiou,” 《聯合晚報》, February 19, 2008. Ma was also a leader of the ROC Student Association in Boston when he studied at the Harvard Law School from 1976 to 1981.

⁷ With barely 39% of votes, Chen Shui-bian won in the 2000 presidential election largely because the KMT was split between Lien Chan and James Soong.

always tried to split hair in international affairs.) Yet, the lack of leadership experience on the one hand and the party-cadre instinct on the other have more often than not hindered Ma's decisiveness and resolve in decision making, especially in times of crisis or at crunch time in political affairs.

Ma Ying-jiou: the leader detached from his party

- 3.1 As a "mainlander" born in Hong Kong, Ma has tried very hard to identify himself as a "new Taiwanese"⁸ in order to win over Taiwanese voters, especially after Lee Teng-hui and the DPP had successfully made the "Taiwan identity" a top campaign issue in their push for Taiwan independence.
- 3.2 Evidently, Ma's wannabe-a-Taiwanese-President mentality has affected his behavior and decision making after he became president. Not only did Ma show great respect to Lee Teng-hui, who is much despised by pan-Blue mainstream for his "ultimate betrayal" of the KMT in the 2000 presidential election, he also appointed Ms. Lai Shin-Yuan, a legislator from Lee's pro-independence Taiwan Solidarity Union, as the chairperson of the Mainland Affairs Council, the chief policymaking organ for cross-strait relations. Ma has managed to alienate his own party to such an extent that KMT legislators defied Ma in July, voting down Shen Fu-hsiung, Ma's nominee for the vice presidency of the Control Yuan, and forced out Chang Jun-yan, Ma's other nominee for the presidency of the Examination Yuan. Both of them have pan-Green backgrounds.
- 3.3 In addition to his effort to establish a "new Taiwanese" image, Ma's eagerness to conciliate with pan-Green voters reflects his ambition to win the second term of the ROC presidency. Ma and his advisors have long realized that in Taiwan's presidential election, pan-Blue and pan-Green candidates can at best guarantee about 40% of votes from their camps respectively. Thus, the

⁸ "New Taiwanese" is the term coined by Lee Teng-hui when he endorsed Ma's bid for Taipei mayor in 1998. Fighting an up-hill campaign against Chen Shui-bian, then the incumbent mayor of Taipei, Lee held up Ma's hand at a rally at the end of 1998, asking the voters to trust Ma because he is "a new Taiwanese."

outcome of the election is virtually determined by 20-25% of middle voters, who are mostly well-educated Taiwanese middle class. Although these voters would vote rationally, they would still tend to vote for a candidate with whom they can identify as a “Taiwanese,” or at least a “new Taiwanese.”

- 3.4 But there are two fundamental factors for Ma’s otherwise unexplainable eagerness to please pan-Green voters. Firstly, although Ma was a KMT candidate, he had quietly but successfully distanced himself from the KMT mainstream under Lien Chan and Wang Chin-ping during the presidential campaign. The aim was not just to win over the middle (or even light green) voters, but, more importantly, to show Washington that he would not go along with the KMT (and pan-Blue) mainstream, which had developed a cozy relationship with Beijing since 2005. Thus, from the very beginning, Ma had relied not so much on the KMT but on his team and personal charisma during the presidential campaign. His landslide victory has not only reinforced his illusion about his mandate and charismatic leadership, but also fastened his dependence on his small team rather than the powerful KMT.
- 3.5 Secondly, although Ma’s victory has brought about a promising prospect in cross-strait relations, Beijing knows that Ma would not compromise on the “sovereignty” issue but drive a hard bargain in cross-strait dialogues. Thus, Beijing’s strategy is to strengthen the CCP-KMT platform while promoting a “peaceful development” across the Taiwan Strait. From Beijing’s perspective, the CCP-KMT platform would not only enable the PRC to avoid direct government-to-government talks with ROC (for that will inevitably involve the “sovereignty” issue), but also help Beijing tie down the Ma Ying-jiou Administration with his own party. Ma certainly sees Beijing’s game, which is why he has managed to keep certain distance from his party, reiterating that he is the one who makes the decision on cross-strait relations (implying that the KMT cannot formulate the policy for him).
- 3.6 After KMT Chairman Wu Po-hsiung’s high-profile visit to China in late May, Ma even announced the “separation between the party and government” (党政

分离) in policymaking. Only after the pan-Blue camp strongly protested against this did Ma and the KMT leaders compromise on a new expression of “separating tracks of the party and government” (党政分际) in policymaking.⁹

3.7 Detached from the KMT mainstream, virtually all of Ma’s cabinet members, especially his economic team, are former KMT bureaucrats who had worked in the KMT government over eight years ago. It remains questionable whether these former bureaucrats truly understand and have mastered the skills and experiences of managing today’s economy in Taiwan as their first priority in the policy process seems to be stability rather than promoting rapid development. Given the volatile economic situation in and outside Taiwan currently, the safety-first strategy makes Ma’s cabinet appear to be doing nothing but passively responding to the rapidly changing situation.

3.8 Moreover, Ma’s over-reliance on his own small team on the one hand and his distancing from the KMT mainstream on the other hand have virtually deactivated leaders like Vice President Vincent Siew and Straits Exchange Foundation (SEF) Chairman Chiang Pin-kun, who have rich experiences and knowledge in economic work and enjoy popular support in Taiwan. As a matter of fact, Siew and Chiang have rarely been seen or heard, let alone playing an active role, in policymaking after the presidential election.

Ma Ying-jiou’s difficult task: keeping balance between Beijing and Washington

4.1 Taiwan has been the thorniest issue in the China-US relationship since the normalization of relations in 1979. Although the two countries worked out a “one-China” strategic framework (which is essentially a compromise between Beijing’s “one-China Principle” and Washington’s “one-China Policy”), there are two fundamental differences between the two countries when this framework is applied to the Taiwan issue:

⁹ “馬吳有共識，黨政分離改成「分際」” <http://news.pchome.com.tw/politics/tvbs/20080628/index-12146343350095739001.html>

- a) Washington insists that Taiwan's legal status remains "undetermined." Yet Beijing holds that Taiwan is part of China (i.e., China has sovereignty over Taiwan).
- b) Washington insists that a "peaceful solution" is the *end*, an end which the United States has "vital interests." Thus, arms sale to Taiwan is justified because it helps Taiwan increase its defense credibility, an essential guarantee to the "peaceful solution." Yet Beijing sees the "peaceful solution" of the Taiwan issue as a *means* to the end of "reunification with the motherland." Thus, arms sale to Taiwan makes the "peaceful solution" more difficult because it helps Taiwan strengthen its resistance to reunification.

4.2 In order to keep the "one-China" framework feasible while avoiding unnecessary confrontation on the Taiwan issue, Washington had kept a "strategic ambiguity" on its policy toward Taiwan, with Beijing turning a blind eye to the issue. Yet, the reckless push for independence under Lee Teng-hui and Chen Shui-bian forced Washington to move from "strategic ambiguity" to "policy clarity" on the Taiwan issue. Thus, since 2006 the Bush Administration has stated repeatedly that "the ROC (Taiwan) is not an independent state." In other words, although the US government still differs from Beijing's position of having sovereignty over Taiwan, it does not see Taiwan as having sovereignty over itself. Meanwhile, Hu's switch from "reunification with the motherland" to "peaceful development in cross-strait relations" has blurred the difference between Beijing and Washington over whether a "peaceful solution" of the Taiwan issue is an end or a means. Without America's "strategic ambiguity" in its Taiwan policy, Taiwan has lost much of its flexibility and maneuvering room between Washington and Beijing. This is indeed the greatest disservice Lee and Chen had done to Taiwan.

4.3 Such a situation amplified Ma's dilemma when he came to power. Ma has to improve and stabilize cross-strait relations in order to jump-start Taiwan's stagnant economy. To achieve this goal, Ma has no choice but to compromise on the "1992 consensus" (one China with different explanations), Beijing's precondition for any meaningful negotiations across the Taiwan Strait. Yet, as the ROC President, Ma must stand on guard against even the slightest

tendency toward “the prospect of reunification,” not just to protect the ROC’s sovereignty, but, more importantly, to keep his promise to Washington that there will be no change in status quo in the Taiwan Strait under his presidency.

4.4 Ma of course sees this dilemma. Yet his performance so far shows that he has not really found a solution and is trying to maneuver between the two powers. In his inaugural speech, Ma made it clear that he would “reinforce” Taiwan’s relationship with its “security ally” the United States; he also pledged the “three No’s” – no reunification, no independence and no use of force – in order to maintain the status quo in the Taiwan Strait. Meanwhile, Ma also accommodated Beijing’s position that any cross-strait negotiations have to be based on the “1992 consensus,” and he wasted no time in kicking off direct flights across the Taiwan Strait and opening up Taiwan for Mainland tourists. Obviously, Ma aims to gain on both ends.

4.5 But neither Beijing nor Washington stands idle on the Taiwan issue. Although Beijing deemed that there has been “an important positive change in Taiwan’s situation” after Ma came to power, it nevertheless tries to “grasp this important opportunity...to realize the fundamental policy of peaceful reunification with the motherland.”¹⁰ Despite Hu’s promise that “Taiwan compatriots’ participation in international activities would be discussed with priority given to participation of the World Health Organization’s (WHO) activities,”¹¹ Wang Yi, the new director of the PRC Taiwan Affairs Office (TAO), reiterated that Beijing would “not accept Taiwan’s official participation in the WHO.”¹²

¹⁰ 中台办、国台办主任陈云林就当前两岸关系发表谈话, May 22, 2008. http://www.gwytb.gov.cn/gzyw/gzyw1.asp?gzyw_m_id=1581. Intriguingly, one cannot find the English version of Chen’s speech at the official TAO website.

¹¹ “Hu (Jintao) says opportunity for cross-Strait relations should be cherished,” May 28, 2008. http://www.gwytb.gov.cn:8088/detail.asp?table=headlines&title=Headlines&offset=25&m_id=859.

¹² Wang made the remark on June 23, 2008 in a meeting with a Japanese delegation. The TAO spokesperson later clarified that Wang’s remark represents Beijing’s “consistent position” on Taiwan’s participation in the WHO. 国台办：对台湾参与世卫组织王毅只是阐述大陆“一贯立场”, <http://www.zaobao.com/special/china/taiwan/pages11/taiwan080627a.shtml>. According to the author’s understanding, Beijing’s “consistent position” on this issue is that Beijing would not oppose Taiwan’s participation in WHO *activities* (as an observer), but would not accept Taiwan as a formal WHO

- 4.6 Meanwhile, satellite photos show that China has upgraded missiles targeted at Taiwan in recent months.¹³ It is quite telling that the PLA forces all over the country were deployed to the earthquake relief operations in May and June, but not a single soldier came from the Nanjing and Guangzhou Military Regions, which are entrusted with the “strategic task of preventing Taiwan independence.” The recent controversy over the name of Taiwan’s Olympic Team – Chinese Taipei or China, Taipei – again demonstrates Beijing’s uncompromising position that Taiwan is but part of China.¹⁴
- 4.7 Washington is concerned that Taiwan may have moved too fast and too close toward Beijing. US State Secretary Condoleezza Rice “reminds everybody” that despite the encouraging development in cross-strait relations after Ma came to power, “the United States has a relationship with Taiwan as well, ... and that we also want to make sure that China understands that it’s not just provocative behavior on the part of Taiwan that we would oppose, but provocative behavior on the part of China.”¹⁵ Meanwhile, the Bush Administration has suspended arms sale to Taiwan,¹⁶ and refused to let Ma transit via East Coast on his recent visit to Latin America.
- 4.8 Yet, cross-strait relations have remained stable despite Ma’s effort to keep a balance between Beijing and Washington. Unlike his predecessor Chen Shui-

member. Intriguingly, one cannot find Wang’s remarks at the official TAO website, either in Chinese or English.

¹³ “China’s ballistic missile base near Taiwan,” http://www.upiasiaonline.com/Security/2008/06/05/chinas_ballistic_missile_base_near_taiwan/8502/.

¹⁴ The Beijing Olympic Committee tried to change the name of the Taiwan Olympic Team from “Chinese Taipei” (中华台北) to “China Taipei” (中国台北). Although it eventually agreed to keep “Chinese Taipei,” it nevertheless arranged the entry of the Taiwan team at the opening ceremony with the strokes of “zhonghua (Chinese)” rather than “Taipei.” Thus, the Taiwan team entered the stadium together with the Hong Kong and Macao teams, which are named “China, Hong Kong” and “China, Macau.”

¹⁵ State Secretary Condoleezza Rice, “Interview with the Wall Street Journal Editorial Board” June 19, 2008. <http://www.state.gov/secretary/rm/2008/06/106122.htm>.

¹⁶ There are no official explanations for the suspension of arms sale to Taiwan. There are reports that it was Ma’s National Security Advisor Su Chi who asked Washington “to hold its arms sale to Taiwan” so that the improvement of cross-strait relations would not be “interrupted.” But other reports speculate that the suspension of arms sale was initiated by Washington to remind Taipei of its dependence on the US for security.

bian who was provocative or even confrontational in cross-strait affairs, Ma prefers private diplomacy and mutual accommodation when a conflict emerges, as shown in his handling of the “miscommunication” on the name of Taiwan’s Olympic team (Chinese Taipei instead of China, Taipei) and his transit arrangements in his recent visit to Latin America. While Ma’s pragmatic and low-profile approach in dealing with both Beijing and Washington is helpful, more important is the fact that Beijing is casting a favorable eye on Ma while decision making in Washington has virtually been frozen as its presidential election is heating up.

- 4.9 Ma’s policy goal is to maintain the status quo in the Taiwan Strait while developing “a peaceful and prosperous relationship with Beijing.” As Ma made it clear in his recent interview with Sol de Mexico, “the (cross-strait) relationship is a special one, but that relationship is not between two countries.”¹⁷ Such a statement, retreating from the provocative statements of “special state-to-state relationship” by Lee Teng-hui in 1999 and “one state on each side (of the Taiwan Strait)” by Chen Shui-bian in 2005, should sound music to both Beijing and Washington.

Ma Ying-Jiou: the Prospects

- 5.1 The loss of the momentum, which seemed unstoppable when Ma came to power more than a hundred days ago, is indeed the real disappointment from Ma’s perspective. Thus, whether Ma and his team can recreate the momentum for his presidency will be the key to his future success. To achieve this goal, Ma will have to (1) improve Taiwan’s economy before long, (2) consolidate his leadership authority with strength and confidence, and (3) maintain his balance between Beijing and Washington while keeping the status quo in the Taiwan Strait.

¹⁷ President Ma Ying-jiou’s interview with Sol de Mexico on August 26, 2008. See “‘State to state’ theory is dead, Ma says,” *Taipei Times*, September 4, 2008, page 1. <http://www.taipeitimes.com/News/front/archives/2008/09/04/2003422244>

- 5.2 Given the sluggish global economy, the only hope for Ma to achieve a quick turn around in Taiwan's economy is to strengthen Taiwan's economic relationship with mainland China, which can hardly be achieved without further improvement in cross-strait relations. To achieve this policy goal, not only does Ma need to make hard decisions on both domestic economic and socio-political issues, he also needs Washington's blessing as well as Beijing's trust and cooperation. While the US has "vital interests" in maintaining the status quo despite its deliberately kept ambiguity in its commitment to Taiwan's security, China will keep pushing for the "prospect of reunification" with its rapidly rising capacity. Given the irrevocable economic interdependence across the strait (which is tilting in Beijing's favor) on the one hand and Taiwan's reliance on the US for security on the other, it seems that Ma's up-hill journey has barely started.
- 5.3 The unfolding money-laundry scandal of former President Chen Shui-bian has provided Ma with an opportunity as well as a challenge. By resolutely persecuting the case, in which Chen and his family members are evidently guilty, Ma is given the opportunity to reassert his authority as the president and re-establish his image as a leader who is decisive, resolute, and courageous in pursuing justice for the people. The challenge is in preventing the explosive scandal from becoming highly politicized, given Taiwan's highly divided politics, and from further deepening the division in the Taiwan society and therefore undermining the very foundation of Ma's presidency.
- 5.4 Whether Ma can maintain his balance between Washington and Beijing depends essentially on US-China relations, especially in the security area. A stable and mutually accommodative relationship between Washington and Beijing is indeed a blessing to Ma as well as Taiwan. In this sense, Ma's pro-status quo approach toward cross-strait relations, with an earnest effort to promote cross-strait exchanges, is strategically rational and tactically feasible.
- 5.5 But the key to Ma's future success is whether he can rally his own party, the KMT, under his leadership. In the recent election of KMT's Central Executive Committee, 19 out of 32 elected members are sitting KMT legislators. This

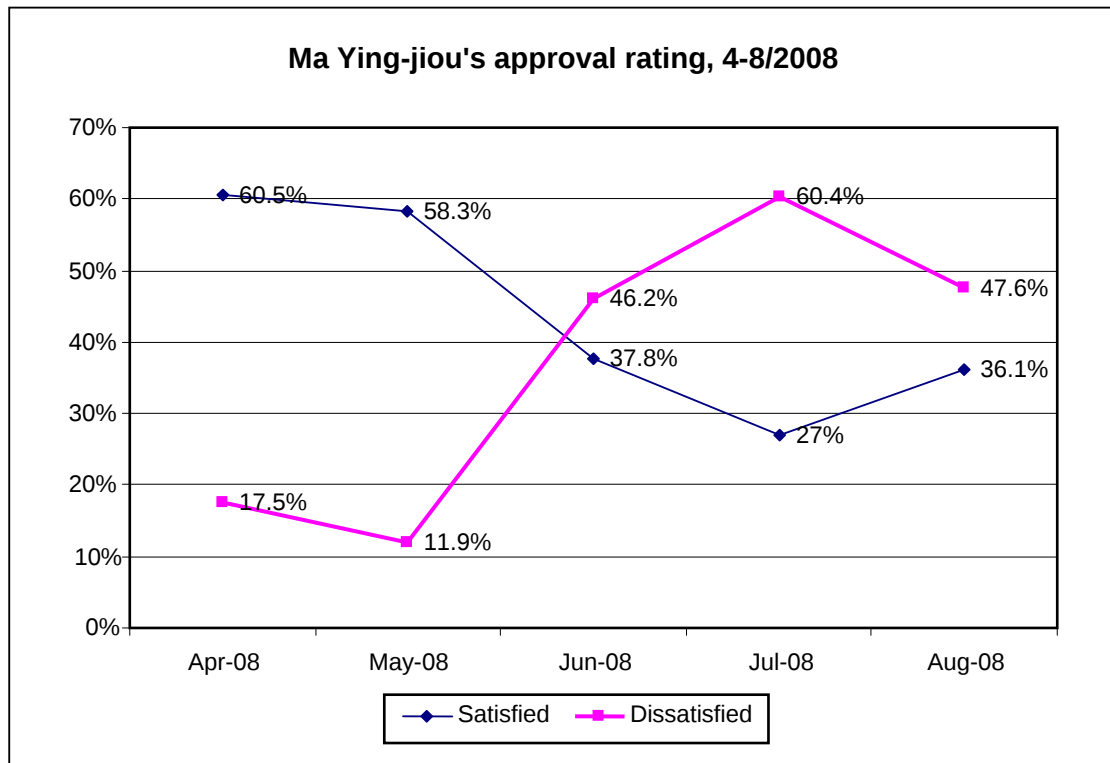
indicates that the KMT as the ruling party will be more involved in policymaking.¹⁸ Obviously, Ma can hardly achieve his policy goals – improve the economy, consolidate his leadership, stabilize cross-strait relations, and strike a balance between Washington and Beijing – without the support of his party.

- 5.6 Although there are signs that Ma has reached out to the KMT recently, it is yet to be seen whether Ma can reorientate his relationship with his party in political affairs. But the fundamental mismatch between Ma and the KMT remains a formidable obstacle. That is, as a political party, the KMT is more domestic oriented in policymaking – all politics is truly local for KMT leaders as well as legislators; but as the president, Ma has to strike a balance between international and domestic politics as well as between various socio-political forces in Taiwan in his decision making. Thus, different policy orientations between Ma and the KMT may continue to be the most formidable challenge to Ma's leadership as well as the solidarity between Ma and his own party.

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“國民黨中常委選舉” <http://udn.com/news/NATIONAL/NAT1/4443754.shtml>

**APPENDIX: PRESIDENT MA YING-JIOU'S APPROVAL RATING,
APRIL-AUGUST 2008**



Source: Taiwan: Global View Survey Research Center
http://www.gvm.com.tw/gvsrc/200809_GVSRF_first100days.pdf