

GAUGING TAIWAN'S 2012 PRESIDENTIAL ELECTION

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Executive Summary

1. Former Taiwan President Lee Teng-Hui was indicted on corruption charges on 30 June 2011 for embezzling US\$7.79 million from a secret fund to set up Taiwan Research Institute Research Division IV between 1994 and 1999. The fund was for secret diplomatic activities.
2. The DPP (Democratic Progressive Party), as well as pro-independence groups accused the Kuomintang (Chinese Nationalist Party, KMT) of exercising undue intervention in the case. President Ma Ying-Jeou refuted this charge and reiterated his respect for independence of judicial investigations.
3. Ma (KMT presidential candidate) has picked Wu Den-Yih as his campaign partner for the 2012 presidential election. Tsai-Ying Wen (DPP presidential candidate) has yet to announce her choice.
4. There are concerns that Tsai cannot strike a balance between competing factional powers in the DPP. Due to the impossibilities of finding an elite who has no factional connection, the DPP does not provide Tsai with many choices.
5. In cross-strait relations, Tsai proposes to re-examine the 1992 consensus as a basis for cross-strait talks after two decades. Tsai's proposition implies that the DPP intends to refute the applicability of the 1992 consensus as a mutual understanding for future negotiations. Her proposals have unnerved Beijing, and are a clear distinction from Ma's rapprochement with the PRC.
6. Ma faces dissatisfactions regarding incompetent management of domestic affairs, a too yielding position in cross-strait relations, and an economic development direction that is too mainland-oriented. Ma also needs to propose a clear blueprint for future cross-strait exchanges in political issues.
7. For the KMT, the Party is confronted with challenges from a breakaway group, the People First Party, whose supporters are also KMT advocates.