

TAIWANESE POLITICS IN 2012

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Executive Summary

1. Taiwan held its 13th Presidential and 8th Legislator Elections on 14 January 2012. Incumbent President Ma was re-elected to office and Kuomintang (KMT) won 57% of legislator seats in the Parliament. Several policy announcements by Washington before the voting day had aroused suspicion that the US explicitly endorsed the KMT candidate, President Ma.
2. The Ma administration has been trapped in malaise due to a series of policy mismanagement, such as the re-importation of ractopamine-contained US beef, the uncertain stance adopted by Taipei toward the Diaoyu Islands dispute, the cross-strait investment protection pact and the Cabinet reshuffle.
3. The minor adjustment of positions and personnel in charge of Taiwan-US relations and the handling of cross-strait affairs have also aroused discussions about whether Ma intends to deepen Taiwan-US relations and distance Taipei away from Beijing.
4. The opposition force, the DPP, is also at a crossroads. Its failure in the presidential election in January 2012 had drawn debates on whether the party needs a new China policy, and an overhaul of policy guidelines which currently show a clear leaning toward Taiwan independence.
5. A new DPP chairman, former Prime Minister Su Tseng-Chang, was elected with a slim victory in May 2012. Another heavyweight, Frank Hsieh, paid an ice-breaking visit to the Mainland in October, proposing new platforms to institutionalize party-to-party exchanges between the DPP and the Communist Party of China.
6. Cross-strait relations seem to have spiraled downwards after the January election. The Ma administration's cold-shoulder responses to the idea of an experimental zone in Pingtan, Fujian, and Taipei's resistance to Beijing's

expectation of cross-strait cooperation against Japan in the Diaoyu Islands disputes have caused the relations to plummet.

7. The KMT has also been trying to propose a new concept of “one country, two districts”, with the implicit recognition of current administrations, political systems and laws on both sides of the strait.
8. Taiwan-US relations are making progress in soft dimensions, such as trade and culture, which are voluminous. However, Washington is now hesitant about meeting Taiwan’s request for further arms procurement due to Taiwan’s dwindling national defense expenses, and its rivalry position against Japan in the Diaoyu Islands dispute.
9. Taiwan-Japan relations are likely to make progress in scenarios like economic and trade cooperation. Nevertheless, territorial incongruence and disputes on fishing rights of Taiwanese fishermen around the Diaoyu Islands area are likely to continue.
10. In all likelihood, the Ma administration will focus on domestic policies reform in 2013. It requires bipartisan efforts from both the KMT and the DPP to implement the long-awaited overhaul, and wisdom to wheel forward cross-strait relations and developments.