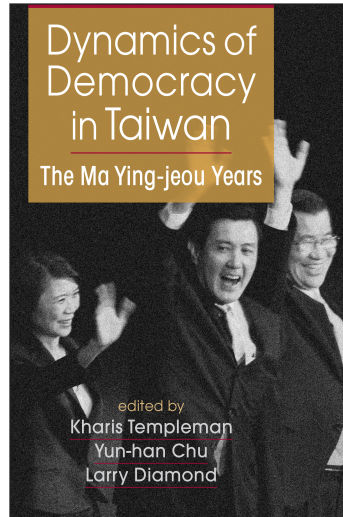


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in Taiwan:
The Ma Ying-jeou Years

edited by
Kharis Templeman,
Yun-han Chu,
and Larry Diamond

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1

The Dynamics of Democracy During the Ma Ying-jeou Years

*Kharis Templeman, Yun-han Chu,
and Larry Diamond*

The eight years of the Ma Ying-jeou presidency (2008–2016) are an era of contradictions. In 2008, Ma won the largest share of the presidential vote in the democratic era, yet he later recorded the lowest public approval ratings of any leader of Taiwan. During his time in office, Taiwan's economy went through both the most rapid quarterly expansion and the deepest recession of the past three decades. His Chinese Nationalist Party, or Kuomintang (KMT), held large majorities in the Legislative Yuan, Taiwan's national parliament, yet many of his administration's top legislative priorities were repeatedly delayed or blocked there. Public trust in democratic institutions continued to decline even as support for democratic values and rejection of authoritarianism deepened. Economic and people-to-people exchanges with the Chinese mainland increased dramatically during Ma's time in office, but at the same time public opinion surveys showed a continued rise in an exclusivist Taiwanese identity among the island's people. Most notably, President Ma developed the best relations with Beijing a Taiwanese government has had in a quarter century, even meeting on an equal basis with Chinese Communist Party (CCP) chairman Xi Jinping in Singapore in November 2015—the first-ever meeting between leaders of the Republic of China (ROC) and the People's Republic of China (PRC). But his cross-Strait rapprochement policies also triggered a domestic political backlash, including a student-led occupation of the legislature and the defeat of a trade agreement that left the KMT bruised, battered, and beaten. Taiwan's longtime ruling party ended the Ma era leaderless, out of power, and facing an existential crisis.

Quality of Democracy During the Ma Era

This volume analyzes the legacy of the eight years of the Ma Ying-jeou presidency for democracy in Taiwan. Overall, during this period Taiwan remained one of the most liberal democracies not only in Asia but also among all the third wave democracies of the world, as Table 1.1 and Figure 1.1 show.

Freedom House rated Taiwan “free” for the entire era with an average freedom rating on political rights and civil liberties of 1.5 on a scale of 1 to 7, putting it on a par with Japan as the freest regime in the Asia Pacific and ranking it among the world’s more liberal democracies. This overall score, however, hides some important variation within these categories. Taiwan’s political rights rating rose in 2010 from 2 to 1 in response to better enforcement of anticorruption laws, including the successful prosecution of the previous president, Chen Shui-bian. But at the same time, its civil liberties rating fell from 1 to 2 due to what Freedom House identified as flaws in the protection of criminal defendants’ rights and rising limitations on academic freedom. Only after President Ma left office did Taiwan’s overall ranking rise to the highest Freedom House score, a 1 on both 7-point scales, and to a score of 93 on the more detailed 100-point scale that aggregates the raw scores for political rights and civil liberties, depicted in Figure 1.1.

Considered over the full span of Ma’s time in office, two kinds of concerns consistently appear in the Freedom House reports.¹ The first is about the rule of law, especially weakness and lack of impartiality of the judiciary

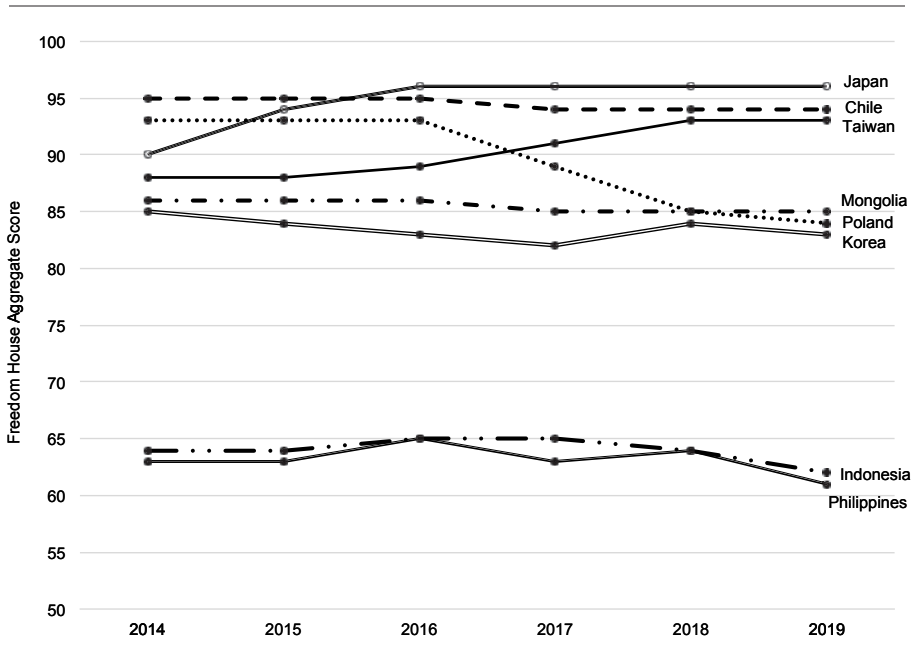
Table 1.1 Freedom House Overall Score for Selected Countries (1–7 Scale), 2008–2018

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cambodia	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Chile	1	1	1	1	1	1	1	1	1	1	1
Czechia	1	1	1	1	1	1	1	1	1	1	1
Indonesia	2.5	2.5	2.5	2.5	2.5	2.5	3	3	3	3	3
Japan	1.5	1.5	1.5	1.5	1.5	1.5	1	1	1	1	1
Korea	1.5	1.5	1.5	1.5	1.5	1.5	2	2	2	2	2
Malaysia	4	4	4	4	4	4	4	4	4	4	4
Mongolia	2	2	2	2	2	1.5	1.5	1.5	1.5	1.5	1.5
Myanmar	7	7	7	7	6.5	5.5	5.5	6	5.5	5	5
Peru	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Philippines	3.5	3.5	3.5	3	3	3	3	3	3	3	3
Poland	1	1	1	1	1	1	1	1	1	1.5	1.5
Singapore	4.5	4.5	4.5	4.5	4	4	4	4	4	4	4
Taiwan	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1	1
Thailand	5	4.5	4.5	4.5	4	4	4	5.5	5.5	5.5	5.5

Source: Freedom House.

Note: 1 = highest, 7 = lowest.

Figure 1.1 Freedom House Aggregate Score for Selected Countries, 2014–2019



and prosecutors and selective prosecution of corruption. As in previous administrations, judicial scandals were a regular occurrence during the Ma era; in 2010, for instance, both the president and the vice president of the Judicial Yuan resigned after several judges were caught taking bribes to deliver a not-guilty verdict in a high-profile corruption case, and several other senior judges were suspended. Prosecutorial leaks to the media before trial were a recurrent problem as well, most notably in the case of former president Chen. Several cases of potentially improper government use of eminent domain also occurred, prompting the legislature in 2012 to pass amendments requiring that such actions be taken “in the public interest.”

The second concern is about media freedom, particularly the rising influence of the PRC on Taiwan’s media landscape. This worry was vividly illustrated in 2008 when the China-friendly tycoon Tsai Eng-meng (Cai Yanming), the founder and head of the food manufacturing company Want Wang Holdings, purchased the China Times group, which included one of Taiwan’s oldest newspapers and two television channels. The editorial line of the group swung sharply toward the PRC after this takeover, moving the *China Times* from its traditional position in the middle of the

political spectrum toward the pro-unification extreme. In 2012, Want Want attempted to purchase additional television cable channels, and at about the same time another investor group that included Tsai's son made a bid for the fiercely independent tabloid newspaper *Apple Daily* and its hard-hitting weekly investigative news magazine, *Next*. Popular protests against the proposed sales called attention to the potential impact on the public sphere, and Taiwan's National Communications Commission eventually set such stringent terms for purchase that both deals fell through.² But PRC influence over Taiwan's media environment, including rising self-censorship, pro-Beijing editorial lines, and payments for positive coverage of the Chinese mainland, remained worrisome and a long-term challenge to Taiwan's democratic vitality.

Political Challenges: Executive-Legislative Relations, Cross-Strait Relations, and the Sunflower Movement

Executive-legislative relations were a frequent source of political intrigue during the Ma era. Some conflict between these branches was inevitable: all presidential regimes, with their separate origin and survival of the two branches, are set up to be adversarial, and many are even under unified single-party rule. But the legitimacy and decisiveness of Taiwan's policymaking process has also long been hampered by vague and under-institutionalized procedures for decisionmaking, as well as a massive asymmetry of expertise and capacity that favors the executive at the expense of the legislative branch. The challenges of these arrangements became increasingly obvious during Ma's presidency, as political battles over cross-Strait policy morphed into interbranch institutional conflict.

President Ma's top political priority was to conclude an ambitious set of cross-Strait agreements that ranged from relaxing restrictions on PRC-based investment to cooperation on criminal investigations and extraditions. He began his presidency with a clear mandate behind this agenda: in the legislative elections held in January 2008, KMT candidates captured 72 percent of the seats (and over 75 percent if we include allied independents and People First Party [PFP] legislators), and in the presidential election in March, Ma carried over 58 percent of the vote, the most decisive victory in Taiwan's democratic history. Public opinion, too, initially ran in favor of cross-Strait rapprochement, and Ma quickly set about trying to enhance cross-Strait exchanges. Within days of his taking office, Ma's appointees at the Straits Exchange Foundation (SEF), the semiofficial body set up to handle negotiations with the PRC, were in productive talks with their counterparts at the Association for Relations Across the Taiwan Strait (ARATS) about transit and tourism. These discussions yielded quick results: within two months, dozens of commercial charter flights were crossing the Strait every day, and busloads of Chinese tour groups had become a ubiquitous

presence around Chiang Kai-shek Memorial Hall and the National Palace Museum in Taipei.

Nevertheless, the same streamlined approval and implementation process that enabled the quick conclusion of these agreements also came at a political cost: it contributed to rising mistrust of President Ma's motivations and weakened public support for rapprochement. Under the terms of the law governing cross-Strait relations, most deals with Beijing could take effect without positive legislative action, unless a majority could be mustered in the Legislative Yuan to veto them. Of the twenty-three agreements signed during the Ma era, only three required an affirmative vote by the legislature to come into force; the rest were submitted as executive orders "for reference" rather than "for review," meaning that the Legislative Yuan had to act in order to block their implementation.³ Given the politically sensitive nature of many of these agreements, the quite reasonable need to keep bargaining positions private in negotiations, and the fact that cross-Strait relations were (and continue to be) the most salient political divide in Taiwanese politics, this low threshold for adoption contributed to a legitimacy deficit that eventually triggered a legislative and then popular backlash against the whole political project.

The two most prominent agreements of the Ma era illustrate this problem. On June 29, 2010, the SEF and ARATS signed the key agreement laying out a legal framework for cross-Strait interaction, dubbed the Economic Cooperation Framework Agreement (ECFA). Because this agreement required changes to domestic laws in Taiwan, the Ma administration then submitted the ECFA to the legislature for review.⁴ Public support at the time was positive: a TVBS survey in May 2010 found 41 percent of respondents approved of signing the agreement, while 34 percent disapproved.⁵ The opposition Democratic Progressive Party (DPP) was able to delay consideration for a month, but with universal support from the KMT caucus and public opinion running in favor, the legislature held a vote and passed the agreement, along with another on intellectual property rights protection, on August 17.

By contrast, the controversial Cross-Strait Services Trade Agreement (CSSTA) was signed and reviewed under much different circumstances. The CSSTA was officially concluded on June 21, 2013, a year into Ma's second term. By that point President Ma's approval rating had slumped to a new low: a TVBS poll that month found only 13 percent of respondents approved of his performance, with 73 percent disapproving. The same poll found 47 percent opposed the CSSTA, with only 30 percent supporting it.⁶ Nevertheless, as it had done with all but two other agreements, the Ma administration quickly signaled its intention to send the CSSTA to the legislature as an executive order only "for reference," putting it on a fast track to implementation. Unless the Legislative Yuan took action to block it, it would come into force three months after formal notification. In this

instance, however, something rather extraordinary happened before the agreement was delivered to the legislature: after a DPP-led scrum at the speaker's podium prevented the legislature from coming to order on June 25, Legislative Yuan speaker Wang Jin-pyng negotiated a cross-party consensus stating that, once it was received, the CSSTA would not take effect without being reviewed and ratified by the legislature, and that each item in the agreement would be voted on separately. In other words, the legislature, run by Ma's own KMT, had changed the rules to make passage of the CSSTA almost impossible.⁷

These new conditions were major concessions to the opposition DPP, but they also reflected increasing uneasiness within the KMT's own legislative caucus about some of the terms of the agreement amid falling public support for rapprochement with the PRC. By negotiating a cross-party consensus, Speaker Wang provided some political cover for those in the ruling party who did not support the CSSTA but did not want to go public with their opposition to the agreement, the party leadership, and President Ma.⁸ As a consequence, the Ma administration could no longer count on Speaker Wang as a reliable ally in pushing through cross-Straits agreements, and Wang became directly embroiled in the political conflict over Ma's cross-Straits policies.

The next phase of this conflict erupted in September 2013, when the Special Investigative Division (SID) of the supreme prosecutor's office recorded Speaker Wang on a wiretap attempting to pressure a local prosecutor's office not to appeal a court ruling in favor of DPP party caucus leader Ker Chien-ming. Huang Shih-ming, the prosecutor-general and director of the SID, reported this allegation directly to President Ma, who quickly went public with the accusations. At the same time, Ma used his position as party chairman to attempt to strip Wang of his KMT membership and remove him from the Legislative Yuan, which would allow Ma to replace him as speaker with someone more loyal to his administration. Wang countered by filing his own lawsuit against Ma, alleging that he could not be expelled from the party without due process, and in an unexpected ruling a lower court agreed with Wang and issued a temporary injunction blocking Ma's action. The effect of the ruling was that Speaker Wang kept his party membership, and his job leading the legislature, for the rest of the term. Ma was dealt a costly political setback, and the ensuing uproar over the failed purge left the KMT even more divided than before.⁹

Nevertheless, the Ma administration continued to prioritize winning approval of the CSSTA, and it insisted that the KMT caucus should use its legislative majority to hold an up-or-down vote and pass the agreement. Though Speaker Wang had pledged not to bring it to the floor until a series of twenty public hearings had wrapped up, President Ma repeatedly pressured the Legislative Yuan caucus, without success, to convene a special

session to take action earlier. When the last of these hearings finally concluded on March 10, 2014, the DPP attempted to use its control of the Internal Affairs Committee convener's chair for the week to begin the line-by-line review of the agreement. The KMT in turn argued that this move violated an unwritten Legislative Yuan norm: any item of discussion placed on the agenda by one convener should not be discussed while the other convener was presiding. Since KMT legislator Chiang Chi-chen had chaired the first hearing on the CSSTA the previous July, the KMT asserted that the DPP could not bring up the CSSTA that week. The DPP countered that the review was a separate item from the hearings, and that they were entitled to place the line-by-line review on the committee agenda while DPP legislator Chen Chi-mai held the chair for the week. Thus the DPP pushed ahead with committee meetings to review the agreement on March 12 and 13, which quickly descended into chaos as KMT and DPP legislators repeatedly argued over procedures and scuffled with each other. The review was then postponed yet again until the following week, when the KMT's Chang Ching-chung was due to take over the convener's role.

Over the weekend, President Ma publicly called on KMT legislators to step up their efforts and show up at the Legislative Yuan for a final showdown to pass the CSSTA. Then, on Monday, March 17, DPP and Taiwan Solidarity Union (TSU) legislators occupied the committee room to prevent Legislator Chang from presiding, arguing that he did not have the right to oversee the review because the DPP had introduced it to the agenda—much like KMT legislators had done the week before. Finally, after a daylong standoff, Chang suddenly called the meeting to order and announced to no one in particular that, because the three-month time limit for reviewing an executive order had already passed, the review was complete and the CSSTA was advanced out of committee for a final vote at a plenary session of the Legislative Yuan on Friday, March 21. At about the same time, a group of protesters—many of them college students and civil society activists—had gathered outside to demonstrate against the CSSTA, staging a sit-in near the entrance to the legislature. As news spread of Chang's unilateral announcement, the crowd grew over the next twenty-four hours, and during a much larger demonstration the next evening, March 18, protesters suddenly broke through the Legislative Yuan's main gates and pushed into the central chamber, occupying the floor and barricading the doors shut to prevent security from removing them.¹⁰

They remained there for over three weeks, demanding that the CSSTA be withdrawn, bringing all legislative business to a halt, and attracting widespread media coverage in Taiwan and abroad. Someone brought in sunflowers to hand to some of the demonstrators, and the protest got its iconic name: the Sunflower Movement. The Ma administration condemned the occupation and threatened to send in riot police to forcibly remove the

demonstrators,¹¹ but backed down in the face of objections from Speaker Wang, who found himself playing dealmaker once again: on March 20 he personally guaranteed the safety of the protesters in the face of the administration's mobilization of police from around the island, and then on April 6 he promised that the vote on the CSSTA would not be held, and its review would be delayed, until after legislation strengthening oversight and monitoring of cross-Strait negotiations was passed. The leaders of the movement then announced they would end the occupation and leave the legislature on April 10, which they did.

The Sunflower Movement's Mixed Legacy for Democracy in Taiwan

As the chapters in this book demonstrate, interpretations of the Sunflower Movement and the legacy it has left for Taiwan are no less divided now than they were at the time. It was without a doubt the seminal moment of the Ma era, one that could have sent Taiwan down a much more worrisome political trajectory. But we do not view the Sunflower Movement as either a critical event that saved Taiwan's democracy or one that fatally damaged it. Its impact is too complicated for such a stark, Manichean judgment. What can be said with the benefit of hindsight is that the movement occurred because of enduring weaknesses in Taiwan's political institutions: incomplete rule of law, unclear procedures for resolving divisive political conflicts, disproportional representation in the legislature, a polarized media environment that allowed rumors and partisan vendettas to flourish, and widespread distrust of nonpartisan state agencies. Those weaknesses remain today, and they should be of deep concern to anyone who cares about Taiwan's survival as a liberal democracy.

Nevertheless, on a more positive note, the occupation of the Legislative Yuan was also eventually resolved peacefully: the Ma administration backed down, riot police stepped back, and a quiet and orderly departure of the demonstrators was negotiated. Crucially as well, the broader social protest movement was eventually channeled into electoral competition within the established democratic system. Rather than attempt to radically reshape Taiwan's political institutions via an extra-constitutional "people power" revolution, most of the activists and demonstrators instead dedicated their energies over the following months and years to electoral organizing and campaigning. Protest leaders joined the opposition DPP or founded new political parties, and interest surged in the next local elections, held in November 2014. Taiwan's democratic institutions were strained, but with some timely action by key players, political elites on the whole shied away from steps that might have triggered violent conflict. Instead they respected shifts in public opinion and accepted the ultimate electoral verdicts delivered by voters in 2014 and 2016. In the end, Ma's agenda for

cross-Strait rapprochement ran up against a decisive shift in public opinion away from support for engagement and toward greater concern about the PRC—and this shift eventually halted the project.

Taiwan's formal democratic "hardware"—its constitutional structure, its nonpartisan agencies, its judiciary and legal institutions—did not function especially well during this period. But its democratic "software" remained surprisingly strong and resilient: despite deep political divisions, elites and ordinary Taiwanese alike demonstrated an enduring commitment to democratic norms of peaceful coexistence, debate, and negotiation, and they ultimately accepted the resolution through the electoral process of the many political conflicts of this era. Despite intense polarization over the China question during the Ma Ying-jeou years, democracy in Taiwan muddled through.

Taiwan's Economic Challenges and Opportunities at the Beginning of the Ma Era

As Ma and his advisers plotted a course for his first presidential term, the strategic environment they faced presented both formidable challenges and unique opportunities. The foremost challenge was the state of the domestic economy. Taiwan's economic performance in the preceding decade appeared underwhelming to most Taiwanese. The economy averaged annual growth of 4.9 percent from 2000 to 2007, a respectable number for a maturing economy with slowing population growth and a rapidly aging society, but significantly lower than the 6.6 percent average of the 1990s and the 8.2 percent of the 1980s.¹² Ma centered his first presidential campaign on a promise to reinvigorate the economy, arguing that the domestic ideological conflicts and hostile cross-Strait relations of the Chen Shui-bian years¹³ had acted as a serious drag on growth. Ending these domestic fights, privileging economic liberalization, and improving the cross-Strait political climate, he promised, would allow Taiwan's economy to reach its full potential again. Ma made this promise explicit with a so-called 6-3-3 pledge: that his administration would achieve annual gross domestic product (GDP) growth of 6 percent, per capita income of US\$30,000, and unemployment below 3 percent by the end of his time in office.¹⁴

Another important trend reshaping Taiwan's external economic environment was shifts in the trading regime of the Asia Pacific. Up through the 1990s, trading rules and practices in the region were under-institutionalized: cross-border trade relied heavily on informal business relationships and the vertical integration of multinational corporations (MNCs) with domestic partners. But by the early 2000s, interminable delays in the Doha Round of World Trade Organization (WTO) negotiations led to increasing frustration and impatience among the leaders of many Asian economies, and several began to pursue bilateral trade accords, both with other Asia Pacific partners

and with countries outside the region. Leading the way was South Korea, which concluded agreements with the Association of Southeast Asian Nations (ASEAN), China, the United States, the European Union, and over a dozen other individual countries. The resulting explosion in the number of such agreements led to an increasingly complex “noodle bowl” of trade rules and regulations in the region: since each accord was unique, firms had to adjust to a different set of rules for each bilateral relationship. As a consequence, the Asia Pacific region moved in little more than a decade from an under- to over-institutionalized environment, with many agreements having overlapping membership and different requirements.¹⁵

That sparked further moves to expand these bilateral agreements by adding additional partners, harmonizing regulations and standards, and moving toward a truly regional trade regime. The most notable of these efforts was the Trans-Pacific Partnership (TPP). The forerunner of the TPP began in 2005 as a four-country economic partnership between Singapore, New Zealand, Brunei, and Chile (known informally as the P4). By 2009, eight other countries had joined discussions to expand the arrangement, including Japan and the United States. In 2012, several ASEAN member states put forward the idea of an alternative trade regime, the Regional Comprehensive Economic Partnership (RCEP), which would have significant overlapping membership with the TPP but include China and India and exclude the United States and other North and South American members.¹⁶

This trend toward bilateral and then regional trade agreements posed a major threat to Taiwan’s economic prosperity. Highly trade-dependent, Taiwan had long been a major player in the global economy, but it was at a disadvantage in negotiating similar agreements because of its diplomatic isolation and the increasingly effective pressure brought to bear by Beijing against Taiwan’s trading partners. These obstacles were most obvious in the case of negotiations for the RCEP, in which China was an initial participant. But they were also present for the TPP: because each member state had to approve negotiations with any new participants, and because several TPP members (especially Vietnam and Malaysia) were quite vulnerable to PRC diplomatic and economic pressure, Taiwan’s accession to the next round of TPP negotiations could be effectively vetoed by Beijing. If either the TPP or the RCEP were concluded without Taiwan’s participation and without a clear path to eventual membership, the impacts on Taiwan’s trade-dependent economy and long-term prosperity could be severe.¹⁷

A third trend presented a strategic opportunity: the mainland Chinese economy was booming. In 2007, it was near the peak of its reform-era expansion and posting official GDP growth rates of 10–14 percent a year. The intoxicating allure of PRC growth was reinforced by the many visible manifestations of rising prosperity apparent to any regular visitor: the rapid construction of ambitious new infrastructure projects, including a nation-

wide high-speed rail system, highways, metro systems, and dozens of new ports and airports; the forests of construction cranes and new buildings dotting the glittering skylines of major Chinese cities; booming stock markets in Shanghai and Shenzhen; and the massive increases in Chinese tourists, first internally and then, increasingly, to other countries in the region and beyond. The sheer size of China's population, combined with a rapidly growing wealthy elite and middle class with disposable income, promised enormous new markets for Taiwanese businesses if they could expand their operations on the mainland. And it presented an obvious way to improve Taiwan's long-term trajectory: hitch the Taiwanese economy to the Chinese growth engine right across the Strait, and let it be pulled along.¹⁸

Ma's Grand Strategy: Opening Through Accommodation

These concurrent trends—economic sluggishness in Taiwan, competitive trade liberalization in the Asia Pacific, and a booming mainland Chinese economy—together powerfully shaped the opportunities facing the Ma administration at the beginning of his tenure. In hindsight, it appears almost inevitable that President Ma would risk his presidency on a grand strategy of accommodation with the PRC to reap economic and diplomatic benefits for Taiwan. This strategy had four major components.

First and foremost, Ma had to find diplomatic language to describe the cross-Strait relationship that was acceptable to Beijing, yet did not foreclose the ROC's claims to independent sovereignty or require taking a position unpopular with the Taiwanese voting public. The formula that his advisers hit upon was to skirt the sovereignty question by referring to a "consensus" on a "one-China principle" implicitly agreed upon at the first meeting between the semiofficial SEF and ARATS in November 1992 in Hong Kong. The consensus was that both sides would agree that Taiwan was "part of China," but could state their own respective interpretations about what "China" was.

The KMT's position at this meeting was that "China" referred to the ROC, which it still upheld as the rightful government of all of China, including the mainland Chinese territories that had been outside its control since 1949. The CCP's position was that "China" referred only to the People's Republic of China, and that the ROC did not exist as a separate sovereign state. This difference had up to that point been irreconcilable, as the PRC side refused to move on to substantive matters without first receiving an explicit endorsement of its version of the one-China principle. But in this case, a diplomatic sleight of hand allowed talks to proceed. PRC representatives accepted a KMT proposal that the two sides "make respective statements [about the one-China principle] through verbal announcements," and they then made no comment on the "respective interpretations" part of

the Taiwanese position. In their subsequent communications with KMT leaders, Beijing's representatives followed the practice of simply ignoring the "respective interpretations" clause, neither endorsing nor rejecting it.¹⁹

The term "1992 Consensus" itself did not come into use until years later, when KMT strategist Su Chi suggested it as a convenient shorthand for the version of the one-China principle endorsed at the 1992 SEF-ARATS meeting. The political value in this ambiguous phrase was that the PRC also accepted it: Beijing's representatives let it be known that they would not raise objections if Ma simply stated, in response to questions about the nature of the cross-Strait relationship, that he "accepted the 1992 Consensus." Once Ma took office, this became the password that unlocked the door to cross-Strait talks on matters of real, practical concern.²⁰

The second component of Ma's grand strategy was to emphasize economic and cultural exchanges in the cross-Strait relationship, and to focus on reaping as many concrete gains as quickly as possible from greater integration with the mainland Chinese economy. The first and most conspicuous of these changes was to the tourism industry. Less than a month after his inauguration, Ma's team signed their first two agreements with the PRC side: one set the terms under which mainland tourists could come to Taiwan, and the other established rules for direct, cross-Strait charter flights that would bring those tourists to the island. Shortly after, the first flights started to arrive, and Chinese tour groups, with their distinctive hats, tour leader flags, and mainland accents were soon a common sight around the island. Subsequent agreements eased the way for better direct transportation and mail connections and established a mechanism for cooperation on inspection of food imports.

The third component of this strategy was to seek greater space to operate in the diplomatic arena. A crucial goal of accommodation with Beijing was to create room for Taiwan to join other regional trading arrangements, potentially including both the TPP and RCEP. Beijing's influence in the region was already too great for Taiwan to overcome its open opposition, but with a cooperative relationship in other domains the Ma administration could hope for acquiescence on Taiwan's independent participation in regional trade negotiations. Ma also sought to obtain a moratorium on the costly and unseemly competition for diplomatic recognition, as well as meaningful participation in other regional and international bodies. The first he managed to secure quite quickly, as the PRC immediately halted the open wooing of Taiwan's diplomatic allies that it had engaged in during the Chen era. Any countries with which the ROC maintained formal relations at the beginning of the Ma era would no longer be enticed to switch; in fact, in one case Beijing even refused to establish diplomatic ties with Gambia after it unilaterally ended recognition of Taipei. The Ma administration had more limited success in securing a seat at the table in international bodies, but it could still point to tangible improvements: beginning in 2009, it was

granted observer status at the World Health Assembly (WHA) under the name “Chinese Taipei,” and in 2013 it was granted the same at the International Civil Aviation Organization (ICAO).

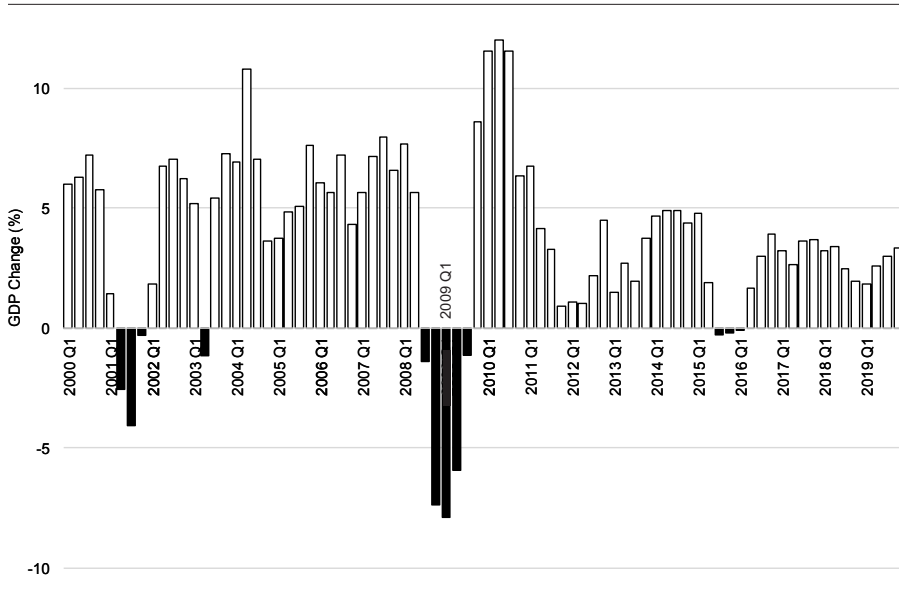
The final component of Ma’s grand strategy was to implement structural reforms of the domestic economy. These ranged from changing laws and rules to encourage foreign direct investment, to lowering corporate income tax to entice multinational corporations to domicile on the island. Initially at least, this part of the agenda also included privatization of some of Taiwan’s remaining state-owned enterprises and liberalization of the banking system, although the spread of the global financial crisis quickly caused the Ma administration to backtrack on many of the boldest of these reforms.²¹

Dangerous Shoals: How Ma’s Grand Strategy Foundered

Ultimately, Ma’s grand strategy did not deliver the intended transformation of Taiwan’s domestic economy and international opportunities. Many of the economic challenges that worried critics in Taiwan were as serious at the end of Ma’s eight years in office as they had been at the beginning: stagnant wages, high youth unemployment, widening wealth and income gaps, low foreign direct investment, sluggish new business creation and growth, and offshoring of industrial production. The strategy that the Ma administration had developed to address these concerns depended on several assumptions: that Taiwan would pick up momentum by riding the latest wave of global economic expansion, that the economic benefits of cross-strait rapprochement and opening would be large and quite visible, that these benefits would be widespread, and that they could be obtained without compromising Taiwan’s sovereignty or its security. On each of these dimensions, Ma’s strategy came up short.

The Modest Economic Benefits of Cross-Strait Rapprochement

First, the overall record of economic growth during the Ma years ended up no better than that of the Chen Shui-bian era (see Figure 1.2). The “6-3-3” targets that Ma had emphasized in his first presidential campaign were very ambitious, even before the global financial crisis hit with full force in 2008–2009 and threw Taiwan’s economy into a sharp recession. In 2008, Taiwan’s nominal per capita GDP was below US\$20,000, as Figure 1.3 shows; reaching \$30,000 by the end of Ma’s second term, as he later clarified was what he had meant, would require annual per capita growth in income (not merely the size of the economy) of about 6.5 percent over the following eight years. His target growth rate for the economy of 6 percent was less fanciful, but still would have required returning to a pace of economic expansion that had not occurred regularly in Taiwan since 1995. The onset of the global financial crisis and the ensuing Great Recession pulled the rug out from under the feet

Figure 1.2 Annual GDP Change in Taiwan by Quarter, 2000–2019

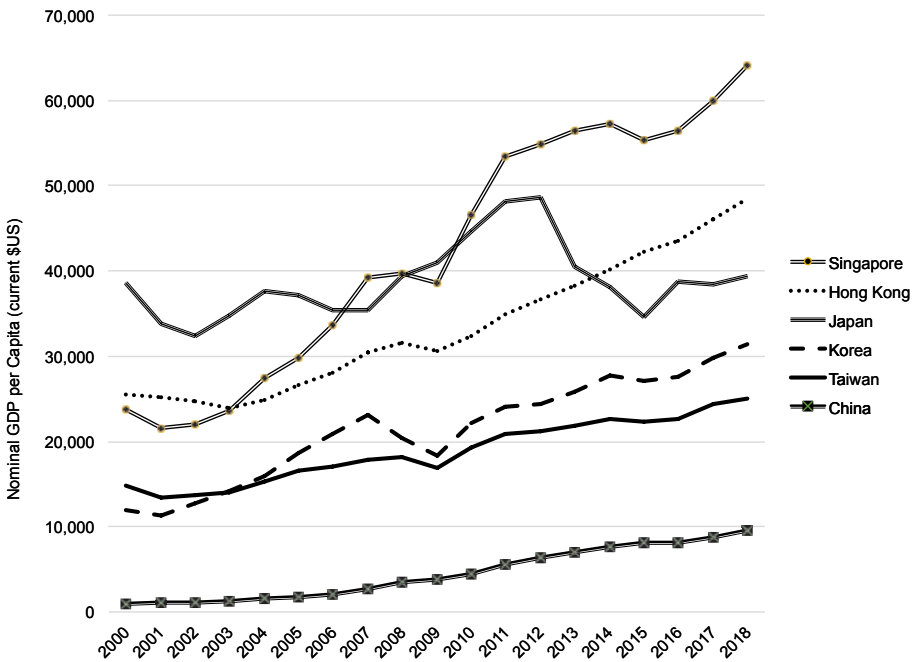
Source: Directorate General of Budget, Accounting, and Statistics, Republic of China (Taiwan).

of Ma's economic team, and the international economic downturn made his original growth target appear even more unrealistic.

Taiwan's unemployment rate had also remained well above 4 percent for the entire previous administration (see Figure 1.4), which suggested that reducing it below 3 percent would require more than just a few quarters of rapid economic expansion. This headline number also hid great heterogeneity and a widening gap across age cohorts: while total unemployment in 2007 was at 4 percent, the rate was significantly higher among those aged twenty-four to twenty-nine at over 6 percent, and the rate among those aged twenty to twenty-four ranged between 10 and 12 percent. This gap had grown considerably over the previous eight years, so that unemployment challenges appeared to be more and more concentrated among young workers. The disparity continued to worsen during the Ma era.

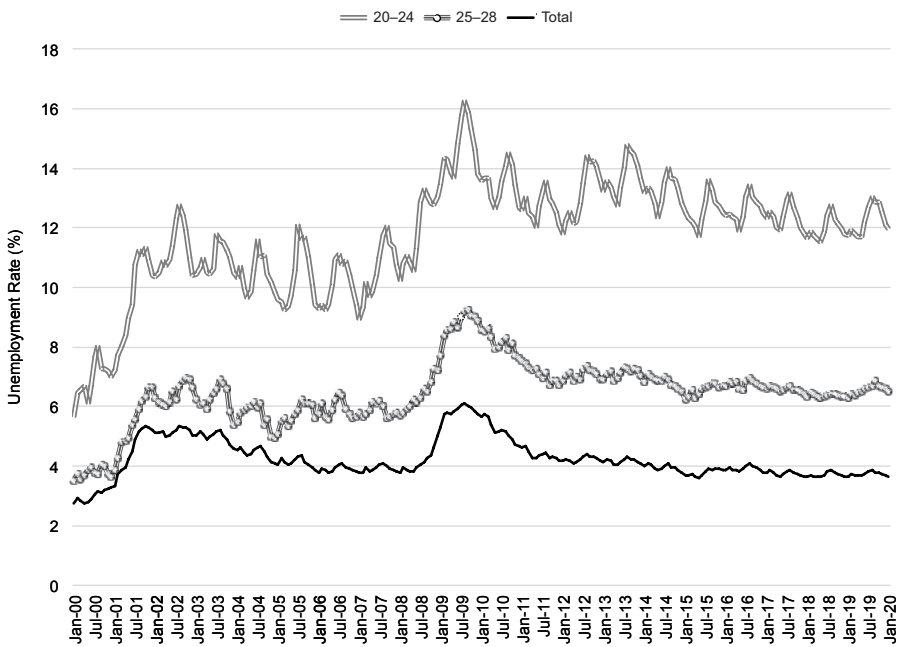
The silver lining in these disappointing headline numbers is that by comparison to other peer economies, Taiwan's performance was quite respectable. The implicit assumption behind Ma's "6-3-3" pledge—that Taiwan had seriously underperformed its economic potential and was lagging behind—is not self-evident in the economic data. Critics could point to more rapid GDP growth in Singapore and Hong Kong, two of the other Asian Tigers—but these were small city-states without rural hinterlands

Figure 1.3 Nominal GDP per Capita in Asia, 2000–2018



Source: IMF WEO Database, April 2019.

that also were major tax havens, and thus made a very imperfect comparison. A better peer to measure Taiwan up against is South Korea. The use of GDP in current US dollars to compare per-capita incomes across countries, as Ma did in the campaign, can be a bit misleading; while South Korea’s per capita income was US\$5,000 higher than Taiwan’s in 2007, Korean prices were also much higher, as any Taiwanese who has attempted to buy a latte in Seoul is well aware. At purchasing power parity (PPP), as Figure 1.5 shows, Taiwan’s adjusted per capita GDP was actually about 18 percent higher than Korea’s in 2007. Strikingly, it was also rapidly approaching the level of Japan’s, which it passed for the first time in 2009. This gap has continued to widen in subsequent years, so that Taiwan’s PPP-adjusted per capita GDP is now about 10 percent higher than Japan’s, and 15 percent higher than Korea’s—a fact that is often overlooked in discussions of Taiwan’s supposed economic stagnation. It is only in comparison with rapid economic growth in the PRC—which is growing from a much lower per capita level—that Taiwan’s economic performance looks weak.

Figure 1.4 Taiwan's Official Monthly Unemployment Rate, 2000–2020

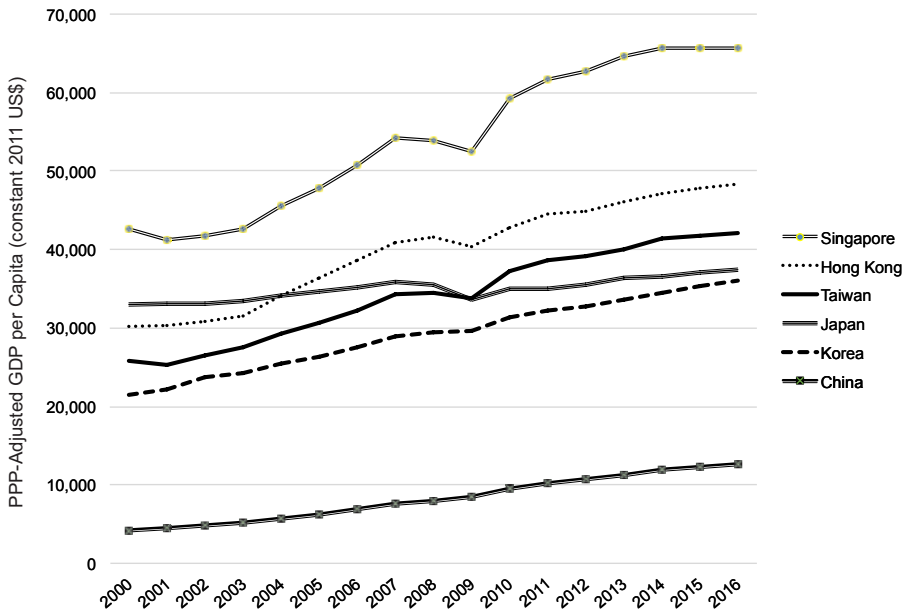
Source: Directorate General of Budget, Accounting, and Statistics, Republic of China (Taiwan).

Who Benefits? Widening Inequality During the Ma Era

As in much of the industrialized world, growing wealth and income inequality became a salient political issue in Taiwan during the Ma era. In industrialized countries, greater integration into the global economy has brought along greater returns to education and an erosion of opportunities for high-paying blue-collar work. In addition, trade agreements almost always produce both domestic winners and losers, and they typically contribute to increases in inequality in the short run. The political consequences of this economic bifurcation—of geographic places and social classes increasingly plugged into the global economy, and those isolated from it and in danger of being left behind—have been especially stressful for democracies.²² One can point to many cases in the 2010s of sharp political upheavals that can be traced in part back to rising inequality, ranging from the Brexit vote in the United Kingdom to the rise of Marine Le Pen in France to the election of Donald Trump in the United States.

Taiwan was also vulnerable to this kind of political reaction by those “left behind.” For its part, the Ma administration consistently tried to avoid

Figure 1.5 Purchasing Power Parity–Adjusted GDP per Capita in Asia, 2000–2016



Source: MF WEO Database, April 2019.

discussion of the downsides of trade agreements with the PRC, and it was not effective at identifying and promising compensation for those who might lose out under greater economic openness. The “early harvest” of cross-strait agreements produced clear benefits, but these proved in many cases to be concentrated narrowly, in specific sectors of the economy and even specific firms. Critics of the Chinese tourist trade, for instance, noted that a handful of well-connected companies captured the majority of this business, bringing tourist groups en masse to the same handful of restaurants, shops, and hotels in return for payoffs from those businesses.²³ Independent travelers from other countries, by contrast, tended to visit and spend money at a much wider array of establishments, diffusing the benefits of tourism more broadly throughout the economy.

The Ma administration also made little effort to mitigate rising inequality. During the 1970s, Taiwan had one of the lowest income gaps in the world—one component of the “economic miracle” that had both produced rapid growth and shared the gains of that growth widely among the Taiwanese people. But beginning in the early 1980s, Taiwan’s measures of

income and wealth inequality began a steady rise, one that halted only during recessions, and only temporarily.²⁴ Moreover, Taiwan's income gap data, which are drawn from government surveys of households rather than tax returns, also significantly underestimate inequality: in other countries where both kinds of data are available, the richest respondents massively underreport income and wealth on surveys.²⁵ Thus, by the time Ma Ying-jeou took office, the gap in opportunities between white- and blue-collar workers, the increasing gains to be had by investing in the real estate market relative to hourly employment, and the regional disparities between rural and urban areas and between greater Taipei and the rest of the island, all combined to make inequality a potentially salient political issue.²⁶

Taiwan's tax structure contributed to this problem as well: it taxed income and sales heavily, and capital gains lightly or not at all.²⁷ Salaried workers, for instance, faced a progressive income tax rate that topped out at 40 percent, while investors in the stock market paid only a "transaction tax" on purchases or sales of stock and did not face additional taxes on capital gains. Other investment income was also taxed very lightly, including rental income and gains from buying and selling real estate, and property taxes were also relatively low. The additional pillars of the tax system were a business tax and a value-added tax (VAT).²⁸ The latter was especially regressive in its effects: the poor paid more of their income in VAT than did the rich. The overall effect of this system was that the Taiwanese government captured only 12 to 14 percent of GDP in a given year in tax receipts—a ratio that put it well below its contemporaries in Japan (31 percent) and South Korea (28 percent), and even slightly below the Philippines (18 percent).²⁹ Even if we include mandatory health insurance premiums paid by most Taiwanese, they added up to at most another 5 percent of GDP, so that the Taiwanese state's sources of revenues were surprisingly limited relative to the vibrancy of its economy and its administrative capacity.

A serious attempt to address rising inequality would have had to address this unbalanced tax system. But President Ma showed little interest in attempting that kind of political fight. His own attempts to reform the tax system initially moved it in the opposite direction: in an effort to boost the economy during the recession, his administration instead lowered business, inheritance, and stock transaction taxes in 2009–2010.³⁰

A final contributing factor to rising social discontent came from an unlikely source: unemployed college graduates. In the 1990s, Taiwan's political leaders enthusiastically supported a massive expansion of higher education, founding new universities and upgrading vocational schools to four-year colleges throughout the island. The effect of this expansion was to rapidly cheapen the value of a Taiwanese university degree, which had previously been accessible only to those high school students with high test scores, and thus was a strong signal of elite pedigree. By the late 2000s,

however, most anyone who wanted to attend college could get admitted somewhere; combined with a dramatic demographic crunch, universities began to struggle to meet enrollment targets, and eventually many of the less prestigious ones were forced to merge or close as their student numbers dropped. The political consequences of this expansion were complex, but one effect was, paradoxically, to worsen the employment prospects of students admitted to the best universities in Taiwan in non-STEM (science, technology, engineering, and mathematics) disciplines. For instance, one study found that students from the humanities and social sciences at National Taiwan University were among the most overrepresented of all Sunflower Movement participants.³¹

The net effect of these trends, and the Ma administration's unwillingness or inability to tackle rising income inequality and a widening wealth gap, eventually undermined confidence in the larger political project of cross-strait rapprochement.

Rising Dependence on the PRC: Threats to Sovereignty and Security

The third key assumption that Ma's grand strategy rested on was that Taiwan could reap the benefits of greater economic integration without making concessions to either its sovereignty or its security. Ma's team was confident that the PRC threat could be managed, and they were willing to err on the side of greater openness in order to reap economic benefits.

There were obvious political and security concerns about this strategy. But it is easy now to forget that the political trends in the PRC did not look nearly as problematic in 2008 as they did a decade later, at the time of this writing. Hu Jintao was still CCP general party secretary, and the political views of successor-in-waiting Xi Jinping remained a mystery to the outside world. Under Hu, if one looked closely one could see signs of a regime engaging in political experiments and moving, however tentatively, in the direction of greater political openness and institutionalization. One of Hu's signature reforms, for instance, was to promote greater transparency and procedural fairness in the political system: local governments were encouraged to post laws and regulations online, hold public hearings and conduct public opinion surveys about major policy changes, and even commence experiments in deliberative democracy.³² Another Hu-era reform was to introduce competition for local people's congresses, requiring that more than one candidate contest each available seat.³³ Despite repeated crackdowns, civil society organizations expanded during the Hu era as well, including activist groups such as human rights lawyers and feminists that took on increasingly sensitive political issues. There is evidence of increasing independence and professionalism of Chinese courts during this period, particularly in commercial cases that did not touch on sensitive political issues.³⁴

And China's media industry, too, became more and more commercialized, leading to greater competition for scoops and harder-hitting reporting that, though it had to steer clear of sensitive topics and could never criticize the top party leadership, nevertheless managed to break critical exposés of local government malfeasance that led to higher-level intervention.³⁵

Only later, starting around 2010, were these reforms visibly stalled or reversed, and organizations and spaces independent of CCP control or monitoring closed off again. Thus, for a leader like Ma, who was predisposed to pursue friendly relations with the authorities in Beijing, the political problems of working with the CCP and of integrating Taiwan's economy more closely with the Chinese mainland seemed, if not simple, at least manageable. And if the security and sovereignty threats could be mitigated, Taiwan's pre-existing geographical, cultural, historical, and economic ties made it better-placed than any other country in the region to take advantage of Chinese economic growth. Taiwanese businesses had rapidly increased their investments in the PRC during the Chen Shui-bian era, despite the combative cross-strait political relationship. But deeper economic integration would require relaxing trade and investment barriers, encouraging people-to-people exchanges, and removing numerous practical hurdles to bilateral exchange—steps that Ma was willing to take for the sake of his economic agenda.

In hindsight, this bet, too, failed to pay off. Ma's cross-strait integration efforts coincided with two fundamental political shifts in the PRC that left his approach looking obsolete by the end of his second term. The first of these was increasing CCP confidence, bordering on triumphalism, about the relative decline and dysfunction of Western democracies after the global financial crisis.³⁶ The PRC's ability to stave off an economic meltdown due to its party-state control over financial institutions, and its ability to supply enormous amounts of liquidity into its financial system, produced a better policy response to this downturn than in the West, and it gave critics of greater economic liberalization the upper hand in internal CCP debates. The share of economic output produced by state-owned enterprises began to rise again, and they maintained their privileged access to domestic capital through the state-run banking system. The financial crisis also made China an indispensable partner in the global economy in a way that it had not been before. The PRC's behavior in the interstate system changed significantly after this moment, including its rapid expansion of artificial islands in the South China Sea, greater assertiveness in international organizations, and a concerted effort to expand its economic might and influence abroad through the One Belt One Road (OBOR) project (later rebranded in English as the Belt and Road Initiative [BRI]) and the creation of the Asian Infrastructure Investment Bank (AIIB).³⁷

The second shift in the PRC was, paradoxically, a rising paranoia among CCP leaders about domestic threats to their rule, and deep suspicion

of any spaces in the political system and civil society where independent actors could still operate. (The ascension of Xi Jinping to power as the general party secretary of the CCP coincides with this trend, but should probably be seen as a trailing indicator rather than a cause of the change, given that the crackdown on independent actors outside the party clearly preceded Xi.)³⁸ Along with continued tightening of party control over domestic spheres of communication, Xi doubled down on CCP efforts to influence public opinion abroad. An increasing share of Chinese-language media in many Western democracies, for instance, came under the ownership of pro-Beijing businesses and became less critical of the PRC. Chinese embassies and consulates stepped up efforts to keep tabs on and influence ethnic Chinese communities abroad, and the expansion of Confucius Institutes and rising dependence on the tuition dollars that Chinese students paid narrowed or eliminated the discussion on many university campuses of topics that the CCP held to be verboten—including the political status of Taiwan.³⁹

These fundamental shifts in the PRC changed the nature of the regime that the Ma administration sought to work with: the China of 2016 was far different from the China of 2008. Ma found it increasingly hard to defend an image of the government in Beijing as one that, while rigidly committed to Taiwan's eventual unification with the mainland, was otherwise mostly benevolent in its actions toward the island's people. The continued tightening of CCP control over Chinese society and the economic system increased the salience of sovereignty and security concerns among the Taiwanese public, and it ultimately made Ma's task of selling rapprochement much more difficult.

Outline of the Book

The chapters in this volume provide a variety of perspectives on politics in Taiwan during the Ma Ying-jeou years. Together they cover four aspects of Taiwan's democratic development: party politics and elections; democratic institutions and governance; public opinion and civil society; and looking outward.

Part 1: Party Politics and Elections

Part 1 covers the major elections of 2012 and 2016 and developments in Taiwan's party politics.⁴⁰ In Chapter 2, Shelley Rigger leads off with an analysis of the 2012 presidential and legislative elections, in which Ma Ying-jeou and the KMT legislative majority were reelected in the face of a strong challenge from Tsai Ing-wen and the DPP. The debates, controversies, and outcomes of these elections, Rigger argues, were a reflection of both Taiwan's maturing democracy and its narrowing options for changing its international

status. Twelve years under Chen Shui-bian and Ma Ying-jeou had made clear just how tight the constraints on Taiwan's policy choices had become. Both Beijing and Washington had resisted Chen's efforts to expand Taiwan's international space, and while both initially rewarded Ma's more constrained and accommodating policy direction, Beijing's long-term goal of unification did not change. For Taiwanese voters, these external forces were part of a set of difficult questions about how best to improve the island's economic trajectory, as post-industrialization and globalization reshaped social relations in ways that left many Taiwanese deeply dissatisfied.

Ma's landslide victory in 2008 was driven in part by excessive expectations about what he could deliver for the economy. As these deflated and the global financial crisis threw Taiwan's economy into a sharp recession, Ma's public approval ratings slumped into the low thirties, and he appeared vulnerable to defeat by a reinvigorated DPP led by chairwoman Tsai Ing-wen (perhaps aided by a third-party run by former KMT member and PFP chairman James Soong). But in the end, the 2012 election campaign was tempered by realism, and boiled down to a contest of credibility between candidates and parties that Taiwanese voters already knew well. Both the KMT and DPP kept their promises modest, and both leading presidential candidates sought to portray themselves as guardians of the status quo, although they defined that status quo differently. While the race was hard-fought and both sides landed some stinging blows, the campaign's respective visions focused more on practical problems and realistic solutions, moving the election away from the pattern of ideological polarization that characterized previous contests.

Ultimately, Rigger argues, the majority of voters decided that giving Ma Ying-jeou a second term was the safer choice. Ma carried 51.6 percent of the vote to Tsai Ing-wen's 45.6 percent, a much narrower margin than in the previous contest, but still a clear win. (Soong's third-party spoiler campaign drew little support in the end as voters concentrated on the Ma-Tsai contest.) In the Legislative Yuan contests, the KMT lost a net total of 8 seats but retained a majority of 64 seats in the 113-seat body. After gaining 6 seats in by-elections in 2009–2010, the DPP continued its recovery from its disastrous 2008 showing, picking up an additional 7 seats to put it at 40. Under Legislative Yuan rules, this increase to above one-third of the seats ensured the DPP could win co-convenor positions on most legislative committees, giving the party considerably more influence over the legislative process. And the PFP and TSU, both minor parties that had been shut out in the 2008 elections, each managed to obtain enough party-list votes to cross the 5 percent threshold; both held three seats in the new legislature, giving them each the right to form a party caucus and participate in cross-party negotiations.⁴¹ Thus, although the KMT retained its majority, it faced a much more challenging legislative environment in Ma's second term than in his first.

One of the most surprising and consequential political developments during this period was the rapid revival of the DPP. After its devastating setbacks in the 2008 elections, the former ruling party appeared hopelessly defeated, divided, and demoralized. The DPP's presidential candidate Frank Hsieh had won under 42 percent of the vote, and the party retained less than a quarter of the seats in the Legislative Yuan under a new, more majoritarian electoral system. Some observers thought it would take a generation or more for the party to recover as a serious electoral force, if it ever did. Yet within two years the DPP was again running competitive campaigns for most local offices and had recovered considerable ground in public opinion.

A key element in this rapid turnaround was the emergence of Tsai Ing-wen as party chairwoman. Prior to her entry into the contest for chair in 2008, Tsai was an outsider to the DPP leadership, without either a power base inside the party or much of a public profile. Thus it is a bit perplexing how she managed not only to win the chair's position but also gradually to build up a position of dominance within the DPP that cleared the field for her to be the party's presidential nominee in both 2012 and 2016. In Chapter 3, Austin Wang explains the resurgence of the DPP, and Tsai Ing-wen's emergence as its clear-cut leader, as the consequence of four factors. First, the depth of the DPP's 2008 defeat led to a consensus in the party that something fundamental had to change, and Tsai offered a clean break with the past: she was a moderate, not linked to any faction, relatively young (fifty-one at the time) and a woman, and had never run for political office on her own before. She had joined the party only four years before, and her most recent previous political experience was as deputy premier under Su Tseng-chang from 2006 to 2007. In the party chair's election in May 2008, she won a decisive 57 percent of DPP member votes, besting the much older, pro-independence firebrand Koo Kwang-ming. Second, because Tsai did not belong to any faction, she emerged as a compromise candidate acceptable to all the major DPP power-brokers. Her consensus-oriented personality and management style also won over critics and allowed her gradually to centralize authority within the party without openly threatening the position of party heavyweights. Third, Tsai managed to push through several institutional reforms that improved the party's electoral prospects: she replaced closed primaries with public opinion surveys to choose district legislative and council candidates, personally negotiated who the party would put up in local executive races rather than holding intraparty competitions, and centralized nominations for the legislative party list. When the DPP won several legislative by-elections in a row and actually obtained more votes than the KMT did in local elections in 2009–2010, many party members were convinced that the DPP was on the right path under Tsai's leadership and would be competitive in 2012 and beyond. Finally, Tsai and the DPP headquarters invested considerable

resources in developing a centralized and sophisticated social media campaign for the 2012 and 2016 general elections, providing a standardized set of recommendations about branding, website design, microtargeting, and live-streaming events for all the party's candidates. The centralization of the DPP's online campaign resources further strengthened Tsai's influence over the party's messaging and tactics.

Tsai retained these strengths within the DPP even after she lost the 2012 presidential race to Ma Ying-jeou. Though she had to resign as chairwoman, she was returned to that role after the Sunflower Movement sparked a wave of criticism of her successor, Su Tseng-chang. By the time of the 2016 campaign, Tsai's grip on the party was quite firm, and she had no challengers for the DPP nomination. Wang argues that the DPP was effectively "presidentialized"—with power centralized in the hands of the party's presidential candidate—even before Tsai Ing-wen was inaugurated as president in May 2016.

A similar transformation into a "presidentialized" party occurred within the KMT. As Nathan F. Batto explores at length in Chapter 4, Ma Ying-jeou's dominance over the KMT eventually reversed the traditional direction of accountability in that party: rather than the party leader serving at the pleasure of party elites and grassroots members and pursuing the KMT's collective goals, the president instead set the political agenda and used the party as a tool to serve his own political purposes. Batto focuses on two episodes that were critical to redefining the KMT's party image: the battle in 2013–2014 to pass the Cross-Strait Services Trade Agreement, and the debate in 2015 over whether to move away from the 1992 Consensus. In both of these episodes, grassroots KMT politicians resisted moves by President Ma to move the party in a more pro-China direction. Facing pressure from an electorate that was trending in the opposite direction, these politicians needed the KMT's position on cross-strait relations to be attractive to the median voter, not to the party's deep-Blue base. Ma had a different calculation. After winning reelection in 2012, his focus was on implementing policies that would deepen the integration of Taiwan's economy with the Chinese mainland's, regardless of public opinion, and he proved willing to spend a tremendous amount of political capital to try to win passage of the CSSTA.

After Ma resigned as party chair following the KMT's sweeping defeat in the 2014 local elections, the ruling party was left without a clear leader—an unfamiliar situation for a presidentialized party, and one that touched off a struggle for primacy among Ma, new party chair Eric Chu, Legislative Yuan speaker Wang Jin-pyng, and the party's 2016 presidential nominee Hung Hsiu-chu, among other players. The battle over the KMT's China discourse took place in the midst of this power struggle. Hung, who came from the KMT's deep-Blue Chinese nationalist wing, moved away from the party's carefully crafted 1992 Consensus position and toward the PRC's preferred formulation of "one China, same interpretation," and she

appeared indifferent to how her Chinese nationalist rhetoric would be received by the electorate. Most of the rest of the party resisted her rhetorical moves, but they dared not completely repudiate the views of someone they had nominated to be their presidential standard-bearer. Only in October 2015 did other party elites finally step in and execute a late switch of candidates, replacing Hung with the more moderate and experienced Chu, who duly returned to the party's previous messaging. But by then, the KMT appeared headed for certain defeat in the presidential race, and increasingly likely to lose its majority in the legislature as well. The repeated moves of its leaders—first Ma, then Hung—in a pro-Beijing direction had the effect of repositioning the party much further from the median voter on cross-Strait issues in 2016 than it had been in 2008 or 2012. Thus, the unprecedented repudiation of the party at the ballot box in 2016, Batto argues, had much to do with the failure of KMT leaders to follow shifts in public opinion on cross-Strait relations.

The 2016 elections were unprecedented in other ways as well. In the legislative elections, the DPP won a majority of the seats for the first time in its history, sweeping out many KMT incumbents whose long records of constituent service and dense political networks proved to be no match for the national anti-KMT wave. A record eighteen parties registered for the party-list vote, including several new parties that sprang up in the wake of the Sunflower Movement and the 2014 local elections. The most successful of these, the New Power Party (NPP), managed not only to cross the 5 percent party-list threshold but also to win three district seats, making it the third-largest party in the new legislature. As a sometime ally of the DPP, the NPP effectively replaced the TSU, which failed to cross the threshold and lost its three seats. Many commentators interpreted the 2016 election campaign as marking a fundamental break with the previous party system and expected the results to usher in a critical realignment around issues such as economic redistribution, labor rights, same-sex marriage, and environmental protection—issues unrelated to the China question that had long divided all parties in the legislature.

However, as Kharis Templeman argues in Chapter 5, this critical realignment did not actually happen. Taiwan's party system during the Ma years was remarkably stable and well-institutionalized for a young democracy: electoral volatility was low, partisanship was high, and both elites and masses were broadly committed to the legitimacy of electoral competition to decide who governs. In addition, Taiwan's two leading parties both featured strong party organizations with distinctive brands, clear differentiation of positions on Taiwan's relationship with the PRC, and loyal followings in the electorate.

Despite the striking headlines, Templeman argues that the 2016 elections did not mark a major realignment away from the long-standing pattern

of Blue-versus-Green electoral competition, but rather a sharp swing toward the DPP and away from the KMT. The relative success of the NPP depended crucially on pre-electoral coordination with the DPP, whose voters supported its three winning district candidates at about the same rate that they did DPP nominees elsewhere. By contrast, all the other new “third force” parties that did not cooperate with the DPP and attempted to run on issues unrelated to the China cleavage fared much worse, all failing to win enough party-list votes to cross the 5 percent threshold for seats. Overall, there was little evidence to suggest that 2016 was a “critical election” that fundamentally reordered the previous pattern of party competition. The implication was that future elections, especially national-level ones, were still likely to feature a DPP-KMT duopoly and to turn on each party’s positioning on the all-important China question.

And indeed, that pattern held true over the next four years. Tsai and the DPP suffered from a steep decline in popularity that began shortly after her inauguration, as many erstwhile supporters became increasingly disillusioned and frustrated with the Tsai administration’s reform priorities. This dissatisfaction culminated in a shocking defeat for the DPP in the November 2018 local elections, when the party lost seven of the thirteen local executive positions it held—including the southern special municipality of Kaohsiung, a deep-Green city that most political observers had assumed would never elect a KMT candidate. Most noteworthy, however, is that the biggest beneficiary of the DPP’s struggles in these elections was not the social movement-linked “third force” parties, but instead the KMT, which swept right back into power in many cities and counties that it had lost in 2014. Reports that the KMT was in terminal decline after the 2016 elections, it turned out, were greatly exaggerated, and the party again looked like a serious threat to unseat the DPP in 2020.

In the wake of the DPP’s local election losses, Tsai was forced to resign as party chairwoman, and her path to reelection in January 2020 looked narrow and perilous. Yet she and the DPP enjoyed their own remarkable political turnaround in only a year’s time—mostly thanks, once again, to the increasing salience of the China issue. Tsai’s response to a speech on Taiwan given by Xi Jinping in January 2019 was widely lauded in the media and online, and it gave her approval ratings a much-needed boost. The sudden emergence in June of a new protest movement in Hong Kong against PRC political restrictions on the territory also heightened concerns in Taiwan about Beijing’s intentions, and the CCP’s tone-deaf response further eroded what little appeal remained of the one-country, two-systems model that Xi had offered as the formula for unification.

Tsai also won a contested DPP primary for the presidential nomination against her former premier, William Lai. Though this challenge at first looked like it might fatally damage the DPP’s electoral chances, Tsai rallied

the party behind her and eventually even added Lai to the ticket as the vice presidential candidate, helping the party to close ranks in time for the elections. Tsai was also helped when two prominent political figures who had flirted with an independent run decided not to enter the race: Taipei mayor Ko Wen-je instead founded a new political party, the Taiwan People's Party, and Terry Gou, chairman of the manufacturing giant Foxconn, decided to back the PFP instead. Thus the presidential election once again turned into a straight-up Blue-versus-Green contest. Finally, the KMT nominated as its presidential candidate Han Kuo-yu, a populist-styled politician who had pulled off the stunning upset victory in the Kaohsiung mayor's race in 2018. Han began his term as mayor with high popularity ratings, and polls taken in the early spring showed him leading Tsai Ing-wen by twenty percentage points or more. But Han made no concessions in his rhetoric about cross-strait relations even as the Hong Kong protests ignited, instead doubling down on Ma's talk about opening up to the PRC and making vague promises that Taiwan would have economic prosperity without compromising its security under his watch. With relations between the United States and the PRC at their rockiest in decades, and a rising sense of political doom engulfing young generations in Hong Kong, Tsai increasingly looked like the safer choice to protect Taiwan's sovereignty and security. Han's support in the polls steadily declined, and by the late fall he appeared almost hopelessly behind.

In the end, Tsai Ing-wen won reelection with 57 percent of the vote—an even greater share than she had carried in 2016, and on much higher turnout—and the DPP held on to its majority in the legislature. Han's rhetoric excited and mobilized the deep-Blue KMT base to turn out in high numbers, but his failure to articulate a credible vision for how to protect Taiwan's security in the face of a rising threat from the PRC made him unappealing to much of the rest of the electorate—especially to the “naturally independent” generation of voters under age forty, who also turned out at high rates to support Tsai. The 2020 election results thus provided further evidence that the China issue in Taiwanese politics was not fading away, and that the party system would continue to be structured around how best to manage the island's fraught and complicated relationship with the PRC.

Part 2: Democratic Institutions and Governance

The chapters in Part 2 cover the performance of Taiwan's core political institutions during the Ma era. One of the most perplexing patterns of the Ma presidency was his struggle to win approval for his ambitious policy agenda, despite enjoying a huge KMT majority in the legislature, a resounding electoral mandate for a shift in policy, and an enormous concentration of formal institutional power in his hands. Over Ma's two terms, only about half of all bills that the Executive Yuan introduced to the legislature

were actually adopted in some form. In Chapter 6, Yun-han Chu and Yutzung Chang explain these struggles as a consequence of the decline of governing capacity of the political system. A wide range of factors—structural, institutional, and ideological—combined to create daunting challenges for the Ma administration in most areas of policy. Taiwan’s eroding international competitiveness, aging population, and worsening fiscal capacity limited the resources available to Ma’s government to advance new initiatives. The legislature turned out to be hard to control even under “unified” one-party rule, as the opposition DPP, Legislative Yuan Speaker Wang Jinpyng, and individual legislators all found ways to delay, block, or significantly modify priority legislation introduced by the Executive Yuan. The legislature’s greater role in policy formation also created many new access points for stakeholders to object to policy change, or to carve out exceptions for individual interest groups, industries, or firms. The capacity and autonomy of the vaunted “developmental state” bureaucracy that had overseen Taiwan’s postwar economic miracle had also declined, and Ma oversaw a collection of ministries that were constrained by unprecedented scrutiny from civil society groups and legislators, additional accounting and ethics rules, and other burdensome checks on their freedom of action. They also faced a media industry dominated by either openly partisan or excessively sensationalist outlets, and the growth of social media use further undermined the traditional Taiwanese deference to expertise and objective policy analysis. Finally, a new cohort of “young rebels” who had been educated under the new Taiwan-centric educational curriculum emerged on the political scene during Ma’s second term, and they became especially effective at social mobilization and symbolic politics. Together, these factors caught the Ma administration off-guard and left it at a loss for how to respond to the opposition to the CSSTA that burst into the open in 2013–2014. As a consequence, Chu and Chang argue, the governing capacity of the political system became so degraded during the Ma era that it was simply no longer able to respond effectively to the many international and domestic policy challenges that Taiwan faced.

One of the key constraints on rationalized policymaking in Taiwan is the ascendance of the Legislative Yuan and its unusual structure and organization. Curiously, winning a majority *in* the legislature does not guarantee a party complete control *over* the legislature (a fact that is not well understood even by most who are acquainted with Taiwanese politics). As Isaac Shih-hao Huang and Shing-yuan Sheng explain in Chapter 7, the Legislative Yuan is quite decentralized in comparison to most other representative assemblies around the world. Neither the government nor the majority party is consistently able to set the legislative agenda. Bills drafted and introduced by the Executive Yuan are given no special priority on the docket over any other proposed legislation. The majority party cannot block opposition parties from

submitting their own bills and, under some conditions, bringing these up for review in committee instead of majority versions. Thus, individual legislators and opposition parties are provided with multiple points of access in the legislative process. Political party caucuses, too, no matter how large or small, are given equal bargaining rights in a peculiar institution known as the party negotiation mechanism (PNM), which functions as a kind of “super-committee” of last resort to resolve interparty disputes of all kinds. Agreements struck within the PNM are binding on all party caucuses and read into the legislative record without a roll-call vote—in effect a form of approval by unanimous consent. During the Ma era, about half of all successful legislation was adopted under these rules, which required agreement from all party caucus representatives. Thus, KMT control over the Legislative Yuan was more mirage than reality for much of the Ma era.

Another critical part of Taiwan’s democratic system is its “watchdog institutions”—the Judicial Yuan and Control Yuan, the prosecutor’s offices under the Ministry of Justice in the Executive Yuan, and other specialized investigative and ethics bodies. These were the focus of significant public scrutiny and dissatisfaction during the Ma era. In 2010, a major scandal broke when three High Court justices and a top prosecutor were arrested for taking bribes, leading to the resignation of the chief and deputy chief justices of the Judicial Yuan. Ma’s response was to create the Agency Against Corruption (AAC), an office within the Ministry of Justice tasked specifically with investigating political corruption. As Christian Göbel details in Chapter 8, this new agency blurred the previous division of labor between other watchdog bodies, most notably the Ministry of Justice’s Investigation Bureau and the ethics bureaus embedded into most government branches. Although the creation of the AAC came with considerable fanfare, Göbel argues that it brought little additional benefit to existing anticorruption efforts and imposed significant costs, and it never was able to shake the accusation that its investigations were politically motivated. Wiretapping also increased dramatically compared to the previous Chen Shui-bian administration, including the Legislative Yuan’s own phone lines, as the case involving Speaker Wang Jin-pyng revealed. Political accountability in the Ma era did not revert back to the “bad old days” of KMT dominance, when corruption was embedded in the political system to the highest levels; instead, it had much more in common with the previous Chen Shui-bian era. Nevertheless, given high public concern about political corruption and rising distrust of the government, politicians, and political parties, the relatively minor reforms of accountability institutions attempted during the Ma era represent a significant missed opportunity to strengthen their legitimacy, and that of Taiwan’s democracy.

Part 2 ends with a critique of Taiwan’s economic institutions. Taiwan’s economic performance over the past two decades appears disappointing

for a couple reasons: its domestic investment as a share of GDP is consistently low, and its foreign direct investment has been at or near the bottom of world rankings for some time. Taiwan's "developmental state" model, based on a high-capacity regulatory state, government control over key "upstream" sectors (such as banking, energy, and transportation), foreign exchange and capital controls, and government-directed investment into strategic growth sectors such as electronics, semiconductors, and biotechnology—all managed by technocrats who operated with little pressure or scrutiny from interest groups or the legislature—had produced an economic "miracle" that featured rapid growth with low inequality. But by the 2000s, this model appeared to have run out of steam. Taiwan's annual growth rates fell significantly, from 6.6 percent for the 1990s to 4.9 percent for 2000–2007. Starting salaries stagnated: adjusted for inflation, college graduates entering the work force in 2016 earned no more on average than their predecessors did in 1997.

In Chapter 9, Pei-shan Lee argues that this economic stagnation can be traced back to the failure to craft a new developmental paradigm, one in which democratic governments could still effectively promote and guide economic growth despite facing new scrutiny and pressure from media, the legislature, and interest groups. The rising influence of groups that objected to elements of the old developmental state model—nuclear energy, environmental degradation, weak labor rights protections, and so forth—made the old ways of directing economic policy increasingly unworkable. But this old model was not replaced by a new economic governance structure that was able to address long-standing economic problems, promote entrepreneurship and dynamism, and provide an effective social safety net while still deepening Taiwan's economic integration with the rest of the world. The Chen Shui-bian administration failed to rise to this challenge, as divided government, polarized politics, and Chen's increasing focus on a symbolic independence agenda hindered the development of a political consensus behind a new economic paradigm. But the Ma administration also failed to craft a new model, despite more politically favorable circumstances. Both administrations suffered from what Lee argues is an "unsuccessful transition" from authoritarian to democratic governance, in which the ascendance of individualistic and group-based policy appeals and a new rights-based political discourse have given rise to an "anti-developmental populism" that has blocked creation of a new economic policy consensus for the democratic era.

Part 3: Public Opinion and Civil Society

The chapters in Part 3 cover important trends in Taiwanese public opinion, as well as the origins and patterns of a sharp rise in social activism during the Ma era. In Chapter 10, Yu-tzung Chang and Yun-han Chu draw on sev-

eral rounds of survey data collected for the Asian Barometer Survey (ABS) project to examine trends in support for democracy. They find a mixed picture. On the positive side, the liberal democratic value orientation of Taiwanese has steadily increased since the late 1990s: public opinion data show rising support for the principles of political equality, popular accountability of leaders, political liberties, checks-and-balances on government officials, and pluralism. They also find consistent increases in the share of respondents saying that democracy is suitable for Taiwan, and expressing what they call “authoritarian detachment”—the rejection of all authoritarian alternatives to democracy. On the negative side, Chang and Chu find evidence of significant and repeated declines in levels of trust in democratic institutions. The large majority of Taiwanese now do not express trust in the president, courts, national government, political parties, and legislature. Trust in the civil service, military, and local governments, while significantly higher, has still fallen over the four ABS waves, and is now below half of all respondents in each case. The only major institution to record increases in public trust over the past two decades is the national police, which saw an uptick to above 50 percent in the most recent survey, in 2014. Overall, these results are consistent with a broader decline in trust in institutions in most democracies around the world, and they raise concerns about the long-term ability of Taiwan’s democracy to sustain public support in the face of serious foreign and domestic policy challenges. But unlike in some other regimes threatened with democratic backsliding, the normative commitment to democratic values, and to democracy as the most preferable system of government, is now very high among Taiwanese, and it is highest among the youngest cohorts. Democratic values do appear to have become a part of the Taiwanese citizen’s DNA.

In Chapter 11, Ching-hsin Yu examines trends in key public opinion indicators over the Ma era. Taiwan’s partisan politics are consolidated around a two-party system centered on the KMT and DPP, and partisanship is relatively high for a young democracy, with between 55 and 60 percent of the electorate expressing a preference for a political party in public opinion polls. But the share of the electorate identifying with one or the other of the major parties shifted significantly during the Ma era: identification with the KMT dropped by nearly twenty points, from a high of 39.5 percent of respondents in 2011 to only 20.8 percent in 2016. Over the same time period, DPP partisans increased by about five points, from 24.9 to 29.9 percent. In addition, despite the KMT’s apparent electoral dominance during much of the Ma era, the share of the electorate identifying as exclusively Taiwanese continued to rise over this period, until it leveled off after 2014. Yet the shares of the electorate favoring either independence or unification remained remarkably stable—and clear minorities—in every survey between 2008 and 2016: over the whole era, support for independence, either now or

sometime in the future, increased only from 23.1 to 24.9 percent of respondents, and support for unification remained virtually unchanged, at 10.3 versus 10.2 percent. Instead, a large majority of Taiwanese continued to express support for maintaining the cross-Strait status quo. Thus, Yu argues, the increase in Taiwanese identity has had less to do with partisanship, attitudes toward cross-Strait relations, or short-term political competition, and more with the long-run effects of Taiwan's transition to democracy on different generational cohorts. Ma's rapprochement with the PRC did not lead to an increase in support for unification, but neither did it directly cause a rise in pro-independence attitudes.

What the Ma-era rapprochement did cause was a surge in protests and other social movement activities. As Dafydd Fell describes in Chapter 12, the scale, scope, and impact of social movements gradually increased over this period, culminating in the Sunflower Movement opposition to the CSSTA and occupation of the Legislative Yuan. Fell notes that the nature of activism, including who joined protests, changed significantly: during the Chen Shui-bian years, participants in street demonstrations were disproportionately older Taiwanese, but the social movements that emerged during the Ma presidency attracted a much younger set of activists. The targets of protests, too, gradually expanded, from relatively focused demonstrations—such as those against the visit of ARATS chairman Chen Yunlin to Taiwan in 2008 and the proposed construction of the Kuo-kuang Petrochemical Plant in Changhua in 2011—to a much broader coalition of protesters demonstrating about issues that ranged from indigenous land rights and LGBTQ issues to media control and constitutional reform. The members of activist groups gradually learned from one another, built personal relationships, and created a formidable network of grassroots organizations that could be mobilized quickly to demonstrate in the streets, disseminate information, and swing public opinion toward their cause. By the end of the Ma era, polls showed a marked increase in youth interest in politics and activism, and turnout among young voters hit historic highs. Fell argues that this surge in social protest was linked to the Ma administration's open hostility toward civil society groups that had enjoyed a voice in policymaking in the previous Lee and Chen administrations. The KMT suspected that most of these groups were working directly with the DPP, and so shut them out of decisionmaking processes, refused to engage in dialogue, and attempted to close down or to reshape many of the advisory bodies serving various government ministries. With few avenues to influence policy development inside the government, then, members of these groups increasingly directed their energy into the streets as the most effective way to express opposition to controversial decisions by the Ma administration.

In Chapter 13, Min-hua Huang and Mark Weatherall use four waves of ABS data to take a closer look at who these activists were: their ages, social

and educational backgrounds, ideological orientations, and expressed motivations for participating in protests and other social movement activities. They find that, in contrast to the Chen Shui-bian era, protesters during the Ma years were younger, better-educated, more likely to believe that elected officials were corrupt, and more likely to express a strong Taiwanese identity, although somewhat surprisingly they were no more likely than the general population to express negative views about Chinese influence on Taiwan. Protest participants were also at least as fervently committed to democratic principles as were other Taiwanese, implying that, while they were directly challenging the legitimacy of some of Taiwan's core democratic institutions (such as the Legislative and Executive Yuans), they did not reject democracy as their preferred political system or express support for authoritarian alternatives. Thus, Huang and Weatherall argue, this deep reservoir of support for democracy helps explain how the Sunflower Movement standoff was ultimately defused peacefully and Taiwan's democratic institutions were able to survive largely intact.

One other distinguishing feature of protests during the Ma era was the widespread use of social media to aid in political mobilization. As Eric Chen-hua Yu and Jia-sin Yu document in Chapter 14, the increase in Internet penetration, prevalence of online news consumption, and use of social media accounts were all associated with an increase in political activism in Taiwan during the Ma years. Indeed, the transformation in how voters got their political news during this period was rapid and profound: in 2008, blogging on websites such as The Wretch was still a significant source of political commentary, including from high-profile political figures, but by 2016 Facebook had become the dominant platform on which to make political statements online. Yu and Yu note that several of the major protest events during the era initially relied mostly on online networks to mobilize protesters, including the Wild Strawberry demonstrations against the visit of ARATS chairman Chen Yunlin in 2008, the White-Shirt Army protests against the death of a conscript in military detention in 2013, and the Sunflower Movement protests against the CSSTA in 2014. Nevertheless, although online networking—or “cyber-mobilization”—made it easier to rally a crowd to turn out to the streets, it could not ultimately substitute for a lack of offline social movement structures. For instance, the Wild Strawberry demonstrations in 2008 eventually petered out because of a flat organizational structure without clear leadership, a small offline presence, and arguments over goals and tactics. It is easy to overlook that the rise in online mobilization during the Ma era also contributed to the more consequential creation of offline networks of activists, as demonstrators met each other and cooperated on protest events, built in-person relationships through shared experiences, and learned from each other about strategy, tactics, and tools. Thus the Sunflower Movement protests were ultimately

so large and influential not merely because many of the participants were linked to each other on social media platforms like Facebook, PTT, LINE, or WhatsApp, but also because many preexisting activist groups, as well as political parties, joined the demonstrations and could draw on several years of experience organizing against the Ma administration.

Part 4: Looking Outward

The final part of this volume covers Taiwan's key relationships with the United States, Japan, and above all the People's Republic of China. In Chapter 15, Szu-yin Ho describes the strategy behind Ma Ying-jeou's cross-Strait policies, and the successes and ultimate limitations of the rapprochement that Ma initiated with Beijing. The key diplomatic challenge for Ma was to find a formula to describe cross-Strait relations that would be acceptable to Beijing, without compromising the ROC's claim to sovereignty and a separate, legitimate existence in the interstate system. The ambiguous 1992 Consensus was the result, and when Beijing made it known that it would not object to this formulation, Ma made it the centerpiece of his strategy for improving relations with the PRC. As Ho details, Ma's National Security Council used the 1992 Consensus formula to improve Taiwan's diplomatic position at three levels. First, at the symbolic level, Ma's endorsement of a form of one-China principle—albeit one carefully crafted to emphasize for a domestic audience that he did not intend to pursue unification—allowed his administration to find common ground on which to engage in negotiations about more substantive issues. Second, at the international level, Ma's team worried from the beginning about how Taiwan-PRC rapprochement would affect its other relationships, including the all-important one with the United States, and emphasized to its other partners and allies that Taipei's outreach to Beijing would be beneficial for all. Third, at the practical level, the Ma administration had to walk a tightrope on the many symbolic points of contention with Beijing—on the one hand, choosing its official language carefully, such as referring to the PRC as “mainland China” to be consistent with the ROC constitutional framework, but on the other routinely seeking to move beyond diplomatic hang-ups and get to real “nuts-and-bolts” issues in the cross-Strait relationship. Ho argues that Ma's strategy eventually produced significant benefits for Taiwan: his government was able to sign twenty-three agreements with the PRC, improve relationships with the United States and many other countries in the region, and not lose any more diplomatic allies. In late 2015, Ma was even able to meet on equal terms with CCP chairman Xi Jinping in a historic meeting in Singapore—the first in-person meeting between leaders of the two sides since the founding of the PRC in 1949. But the ultimate limitations of this grand strategy became apparent in Ma's second term, and Ho argues that they were rooted more in domestic factors than international or cross-Strait

ones. The opposition DPP sharpened its attacks on rapprochement and reframed them in terms of the effects on the distribution of wealth, and the Ma administration struggled to rebut these criticisms. In addition, the “early harvest” agreements of Ma’s first term had been “all gains, no pain”—the PRC lowered tariff barriers on imports much more than Taiwan did—but the CSSTA included concrete concessions by both sides that generated a deep sense of insecurity and sparked fierce opposition from the affected sectors. The politics of trade could also all too easily morph into the politics of identity: the prospect of mainland Chinese publishing houses operating in the Taiwanese publishing industry, for instance, was framed by opponents as an existential threat to Taiwan’s distinct culture and its democratic practices and values. Thus, the Ma administration’s grand strategy eventually foundered on the shoals of domestic public opinion, despite the considerable early successes it was able to achieve.

The volume concludes with a broad look at Taiwan’s strategic environment and how it changed during the Ma era. In Chapter 16, Dean P. Chen argues that the deterioration of Sino-American and Sino-Japanese relations ultimately did as much to undermine Ma’s cross-strait rapprochement with the PRC as did any other factor, even though leaders in both Washington and Tokyo lauded the dramatic improvement of cross-strait relations that began in 2008. As the rivalry intensified between China, on the one hand, and the United States and Japan, on the other, the KMT’s ideological commitment to a single Chinese nation effectively joined Taiwan in a pan-Chinese union with the PRC in international disputes. For instance, the Ma administration’s positions on maritime territorial disputes in the East and South China Seas were for the most part identical to those of Beijing’s, even though Taipei explicitly refused to cooperate with the PRC to assert these common claims. In contrast, Washington and Tokyo were mostly aligned in their common security interests, and therefore took similar positions on these issues. Though the Obama administration remained firmly committed to the long-standing US “one-China policy” to maintain peace and stability across the Taiwan Strait, the Ma government’s China-leaning policy contradicted, at least to some extent, the strategic postures of the United States in the Asia Pacific. Thus, even as the United States and the international community welcomed Ma’s conciliatory moves to mend fences with Beijing and promote deeper socioeconomic cooperation across a variety of domains, the increase in Sino-American strategic competition ultimately made Ma’s rapprochement efforts less beneficial to US interests.

When Ma Ying-jeou came into office in 2008, he argued that there was room for Taiwan simultaneously to maintain peaceful relations with China, friendly relations with Japan, and close relations with the United States. His grand strategy was premised on the assumption Taiwan could “have it all” and not have to choose sides between the three preeminent

powers of the western Pacific. But by the end of his presidency in 2016, the balance of power in the region and each country's perception of national interests and threats looked very different. The rise of the PRC in international stature and power, the deep and alarming authoritarian turn it took under Xi Jinping, and its more assertive and aggressive behavior in all manner of international arenas combined to eliminate much of the space for creative diplomacy that Taiwan enjoyed when Ma first took office. At the end of the Ma years, the greatest reason for pessimism about the future of Taiwan was not Taiwan's contentious domestic politics, its constrained economic decisionmakers, its flawed policymaking processes, or its declining trust in democratic institutions. It was the gradual transformation of the regime across the Strait from an opportunity for Taiwan and its people into a threat.

Notes

1. Annual Freedom House reports for Taiwan are available at the Freedom House website, <https://freedomhouse.org>.

2. Ebsworth, "Not Wanting Want."

3. One of these "agreements" was actually the signed minutes of talks on cross-Strait charter flights. The three agreements that required a change to domestic laws, and therefore needed to be passed by an affirmative vote in the legislature, were the Economic Cooperation Framework Agreement, the Agreement on Intellectual Property Rights Protection and Cooperation (both approved on September 12, 2010), and the Agreement on Avoidance of Double Taxation and Enhancement of Tax Cooperation (signed in August 2015 but never brought up for a vote). In addition, the two sides issued three other memorandums of understanding and two statements of consensus.

4. The Ma administration reserved the right for itself to interpret whether an agreement required a change to domestic law; given the trouble of securing approval in the legislature, the executive branch attempted to avoid a vote on new cross-Strait agreements whenever possible.

5. See TVBS Polling Center, April 25, 2010, https://cc.tvbs.com.tw/portal/file/poll_center/2017/20170602/yijung-20100426095221.pdf.

6. TVBS Polling Center, June 25, 2013, https://cc.tvbs.com.tw/portal/file/poll_center/2017/20170602/20140117100505510.pdf.

7. The CSSTA was formally transmitted to the Legislative Yuan only on June 27, after this cross-party agreement had already been signed, and then reported to the floor and referred to committee on July 30.

8. Of special note is that in addition to Speaker Wang's intervention, the KMT party whip, Lai Shyh-bao, also signed the consensus agreement as the representative of the KMT caucus. In other words, Wang's deal was also supported by the rest of the KMT leadership in the Legislative Yuan. Speaker Wang also was instrumental in negotiating a subsequent deal on August 5 deciding that there should be another sixteen hearings, each dealing with four items in the CSSTA.

9. At least three aspects of this incident were problematic. First, the SID revealed that it was wiretapping the central telephone switchboard of the legislature without clear legal authority to do so, raising questions about illegal procedure and potential executive-branch intimidation of legislators. Second, the SID was supposed to operate as an independent prosecutorial body, not directly under the control of and reporting to the president. Yet Huang informed Ma as soon as he learned the details of the phone call. Third,

Ma immediately used this information for a transparently political purpose: to try to replace Wang Jin-pyng with someone friendlier to his administration's agenda. SID director Huang was later charged and convicted for his actions in this case, and after he left office Ma was indicted as well for his alleged mishandling of classified information. In a rather ironic twist, the original allegations of "influence peddling" against Wang and Ker were mostly overshadowed in the political uproar, and neither faced any permanent legal or political consequences for their actions. See Horton, "Taiwan's Ex-President Ma Ying-jeou Indicted in Wiretapping Case."

10. On the movement's organization and tactics, see Ho, "Occupy Congress in Taiwan," and Rowen, "Inside Taiwan's Sunflower Movement."

11. The Ma administration did respond with force when a breakaway group of students and activists later broke into the Executive Yuan offices, a short distance away from the Legislative Yuan, on the evening of March 23. That occupation was ended quickly when Premier Jiang ordered riot police to clear the building; though no one died, approximately 150 people were injured, including several who were hospitalized, and some of the protest leaders subsequently faced criminal charges for their actions.

12. Figures calculated from the International Monetary Fund's *World Economic Outlook Database*, <https://www.imf.org/external/pubs/ft/weo/2019/02/weodata/index.aspx>.

13. For more on the Chen Shui-bian era, see the chapters in our previous volume, Chu, Diamond, and Templeman, *Taiwan's Democracy Challenged*.

14. See Muyard, "Taiwan Elections 2008," pp. 89–91.

15. Aggarwal, "Bilateral Trade Agreements in the Asia-Pacific."

16. See "The Transpacific Partnership and Taiwan's Future Development Strategy," pp. 3–5.

17. *Ibid.*, pp. 62–64.

18. For a representative view from the time, see Chu and San, "Taiwan's Industrial Policy and the Economic Rise of the PRC."

19. For more details on the 1992 meetings to which the "1992 Consensus" refers, see Chapter 15 of this book.

20. It is worth noting here that the DPP has remained implacably opposed to the use of this phrase, to the point that Tsai Ing-wen avoided endorsing it in her otherwise conciliatory presidential inauguration speech in 2016. The DPP has two primary objections to the use of the term "1992 Consensus" to describe the state of cross-strait relations. First, the 1992 talks were held before either Taiwan's president or its legislature were directly elected, and therefore the ROC delegation at this meeting represented only the KMT and lacked legitimacy to speak for the people of Taiwan. Second, the DPP asserts that the PRC's consistent omission of the "respective interpretations" clause, and the post hoc characterization of the meeting, years after the fact, as having established a "consensus" that neither side endorsed in writing, render it nonsensical.

21. See Wang, Chen, and Kuo, "Restructuring State-Business Relations," pp. 257–260.

22. Rodrik, "Populism and the Economics of Globalization"; Inglehart and Norris, "Trump, Brexit, and the Rise of Populism."

23. Rowen, "Tourism as a Territorial Strategy."

24. Hung, "The Great U-Turn in Taiwan."

25. See Diaz-Bazan, *Measuring Inequality from Top to Bottom*.

26. For instance, see Lin, "Cross-Strait Trade and Class Cleavages in Taiwan."

27. Wu, Hou, and Chang, "Taiwan Needs Radical Tax Reform."

28. Chang, "Taiwan's Unfair Tax System."

29. Numbers for Japan (2017) and South Korea (2018) are from the Organization for Economic Cooperation and Development (OECD) report "Revenue Statistics for 2019," and for the Philippines (2018) from the OECD report "Review Statistics for Asian and Pacific Economies 2019." Taiwan is not an OECD member; the comparable number for revenues collected by all levels of government reported by Taiwan's Directorate-General

of Budgeting, Accounting, and Statistics for 2019 is 13.6 percent; <https://eng.stat.gov.tw/point.asp?index=10>.

30. Chang, "Taiwan's Unfair Tax System."

31. Kuan, "Generational Differences in Attitudes Toward Cross-Strait Trade."

32. Stromseth, Malesky, and Gueorguiev, *China's Governing Puzzle*.

33. Sun, "Municipal People's Congress Elections in the PRC"; Manion, *Information for Autocrats*.

34. Kinkel and Hurst, "Review Essay—Access to Justice in Post-Mao China"; Wang, *Tying the Autocrat's Hands*.

35. Stockmann, *Media Commercialization and Authoritarian Rule in China*.

36. For instance, see some of the postcrisis examples in Kurlantzick, "Why the 'China Model' Isn't Going Away."

37. For a variety of perspectives on this new assertiveness, see, for example, Roland, "China's Eurasian Century?"; Feigenbaum, "China and the World"; Minzner, *End of an Era*; and Doshi, "Hu's to Blame for China's Foreign Assertiveness?"

38. On this point, see especially Minzner, *End of an Era*, and Doshi, "Hu's to Blame for China's Foreign Assertiveness?"

39. For examples and evidence of this activity, see Shullman, "Protect the Party"; Diamond and Schell, *Chinese Influence and American Interests*; Cole, *The Hard Edge of Sharp Power*; and Foxall and Hemmings, *The Art of Deceit*.

40. For the 2008 legislative and presidential elections, see Rigger, "Party Politics and Elections," in our previous volume on the Chen Shui-bian years.

41. Taiwan has a multitier electoral system in which voters cast two ballots for the legislature: one for a candidate in one of seventy-three single-member districts, and a second for a national party list, in which thirty-four seats are distributed proportionally to all parties that pass a 5 percent threshold. Indigenous voters elect six representatives of their own from two nationwide constituencies with three members each, using the old single nontransferable vote (SNTV) system.