



## **Whither Taiwan and Cross-Strait Relations in 2007?** by Bonnie S. Glaser

Developments in Taiwan are often unpredictable and the past year has been no exception. As the new year begins, a review of developments in 2006 in Taiwan is instructive and may provide useful insights into the course of events in 2007 and beyond.

Taiwan President Chen Shui-bian's popularity continued to wane, as numerous scandals in the first family and the presidential office were uncovered. Attacks on Chen from the opposition Blue camp escalated and three recall votes were held in the legislature in a six-month period. Support for Chen within his own party also flagged. In the summer, a group of scholars sympathetic to the Democratic Progressive Party (DPP) circulated a petition urging Chen to assume moral responsibility for Taiwan's democracy. In mid-November, two high-profile DPP legislators quit the party. But growing dissatisfaction with Chen did not result in his ouster. DPP legislators chose not to put at risk their party's support for renomination by voting for the president's recall. Moreover, while they were angry with Chen, they did not want to side with the Blues, who have fervently sought to undermine the legitimacy of DPP rule.

Contrary to some people's expectations, widespread discontent with Chen Shui-bian did not harm his party's performance in the city mayoral and council elections in December. The DPP candidate, Chen Chu, won the mayoral seat in Kaohsiung, albeit by a razor-thin margin of .13 percent or 1,114 votes. Frank Hsieh lost his bid for the Taipei mayorship, but made an impressive showing, winning 41 percent of the vote, up from the 35 percent that the DPP candidate Lee Ying-yuan garnered four years earlier. In the city council elections, the DPP gained a seat in both Taipei and Kaohsiung. The elections demonstrate that the DPP is a resilient party whose candidates and ideas still continue to attract significant voter support.

The KMT has failed to successfully capitalize on Chen Shui-bian's quandary. Ma Ying-jeou, the party's likely nominee for president, is increasingly seen as indecisive and unprincipled. Charges of embezzling government funds have hurt his squeaky clean image. Ma has yet to achieve unity in his own party, leading to doubts about his ability to bridge the ethnic divide as president. Blue politicians have openly called for twice-defeated candidate Lien Chan to challenge Ma for the party's presidential nomination in 2008.

There remains a possibility that Chen Shui-bian will step down. He has pledged that he would resign if his wife, Wu Shu-chen, who is being tried on corruption-related charges, is found guilty. If Chen leaves office, Vice President Annette Lu would succeed him. Unpopular within her own party and

faced with a sizeable Blue majority in the legislature, Lu will be just as constrained as Chen has been. And although she would seek to use the presidency as a springboard to becoming her party's candidate for president in 2008, such an achievement is unlikely.

Chinese officials continue to warn about the danger that Chen may challenge the mainland's redlines in his final 16 months in office. There is particular concern about Chen's constitutional reengineering plan. It should be evident, however, that the prospect of creating a new constitution, or even implementing changes that would antagonize the PRC, is remote under a Blue-dominated legislature. Chen's low approval ratings make it unlikely that he could mobilize a popular movement that would circumvent the legal process.

Internal squabbles in both parties will sort themselves out to some extent in 2007 as the presidential campaign begins in earnest. The pan-Blue will likely retain its majority in the legislative elections, which may be held at the end of the year or concomitant with the presidential election in 2008. Nothing is certain about the outcome of the next presidential election — a DPP victory should not be ruled out.

Interaction between Taiwan and the mainland is expanding rapidly. Direct passenger charter flights during holidays have expanded, direct cargo charter flights have opened, and a nongovernmental mechanism for negotiating travel by mainland tourists has been established. Taipei has given the green light for local high-tech firms to build eight-inch wafer and chip testing-packaging in China. Efforts by Chen Shui-bian to attract China-bound capital back to Taiwan are likely to fail. The majority of Taiwan citizens sees more benefits than risks in furthering the economic integration of the two sides of the Strait. Even U.S. officials have explicitly called for the "three links" to be realized.

China has been wise to refrain from commenting on domestic developments in Taiwan, lest it be open to charges of attempting to interfere in Taiwan's internal affairs. Persisting concern about attempts by Chen Shui-bian to pursue *de jure* independence is understandable, but there is no cause for alarm. Founding a "Second Republic," for example, which would freeze the current constitution and create a new one that would apply to the geographical area under Taiwan's jurisdiction, is not feasible. The U.S. policy of opposing any steps that would alter the status quo in the Taiwan Strait is not simply rhetorical.

In the new year, China should adhere closely to and further develop its policy of promoting peaceful unification with Taiwan. The following steps should be considered.

The mainland should seek to advance cooperation with Taiwan on functional issues that would benefit both side of the Strait. These include joint efforts by law enforcement

agencies to clamp down on organized crime, human trafficking, and smuggling of drugs and firearms; information sharing and preparation of joint response measures for infectious diseases such as avian influenza; and cooperation on environmental protection and disaster relief.

At present, the political situation across the Strait makes the prospects for negotiating military confidence building measures look bleak, but unilateral and bilateral steps could be taken to reduce the possibility of miscalculation and begin the process of trust building. China should be more transparent about its military deployments and exercises. Cooperation on search and rescue operations could involve both civilian and military agencies. Dialogue could be initiated by appointed security specialists on both sides on the content of each other's defense white paper.

Finally, Beijing should establish authorized channels of communication with the DPP and the ruling government in Taiwan. The establishment of a sanctioned mechanism for communication would provide confidence that messages are accurately sent and received and diminish the possibility of misunderstanding, missed opportunities, or, even worse, miscalculation that could unnecessarily heighten cross-Strait tension.

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