



SOME IMPLICATIONS OF TAIWAN'S LOCAL ELECTIONS

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The Democratic Progressive Party's (DPP) serious losses in Taiwan local elections will have significant implications for cross-strait relations and Taiwan's domestic politics heading toward the presidential and legislative elections in 2020. The DPP lost seven of the 13 mayor and magistrate positions it had held and its overall vote in these elections fell by over a million votes to 39.2 percent. Party Chairperson Tsai Ing-wen resigned taking responsibility for the defeat. By contrast, the opposition Kuomintang (KMT) party won impressive surprise victories defeating the DPP incumbents in Taichung and Kaohsiung. Its vote in these elections increased by over a million to 48.8 percent. The DPP held only six counties and cities, the lowest number since 1989.

It has been common for foreign observers to interpret this result in the context of the DPP administration's strained relations with Beijing. Although Taiwan does not allow exit polling, it appears that the DPP defeat was primarily a negative verdict on President Tsai's domestic policies. Her labor and pension reforms have been particularly controversial. The DPP's economic policies have not delivered the hoped for growth, jobs, and prosperity. Han Kuo-yu the KMT candidate in Kaohsiung made economic revival a core issue. In several referenda related to energy policy and same sex marriage, voters rejected core elements of DPP policy. DPP majority whip Ker Chien-ming pointed to his party's support of same sex marriage as an element in its defeat. Lu Shiow-yen, the KMT candidate in Taichung, made pollution the main issue in her campaign.

This is not to say that cross-strait tensions played no role in the election. Many in Taiwan are critical of Tsai's cross-strait policy, and many support the 1992 Consensus. However, domestic issues appear to have been a more prominent factor in the DPP defeat. "Disliking the DPP" (討厭民進黨) was a catchphrase of this year's election, and economic development was a common campaign theme.

Tsai Ing-wen will continue as president, and the DPP will retain its large majority in the Legislative Yuan (LY) until the 2020 elections. It seems unlikely that there will be any significant change in Tsai's cross-strait policy. In her resignation statement, Tsai said she would adhere to her core commitments to democratic principles and to protect Taiwan sovereignty. Several days later, she said voters did not signal any desire for change and reiterated her commitment to maintain the status quo in cross-strait relations. However, whenever specific issues arise, Tsai will continue to be under conflicting pressures from the KMT to be more accommodating toward China and from independence advocates to be more confrontational.

Beijing welcomed the outcome of the elections. The Taiwan Affairs Office (TAO) spokesman said the election showed Taiwan people want peace and economic development. Beijing sees opportunities for cooperation with the new KMT mayors and magistrates. Han Kuo-yu immediately stated that he would pursue relations on the basis of the KMT consensus in favor of the 1992 Consensus. Lu Shiow-yen and other new KMT officials have in various degrees endorsed this approach. However, the TAO signaled a cautious approach, indicating it would cooperate on the basis of the 1992 Consensus and a proper understanding of inter-city relations, meaning that these are relations within one country. Beijing has not been happy with KMT chairman Wu's views on cross-strait relations. How hard they will press the new KMT mayors remains to be seen. The DPP will correctly see Beijing's efforts to cooperate with local KMT leaders as united front work aimed at dividing Taiwan and interfering in domestic politics.

Beijing's policy toward Tsai will not change. However, Beijing must decide how much pressure to apply. The island-encircling military exercises have been suspended since late June. Will they resume and how frequently? Will Beijing continue to press Taiwan's diplomatic allies to recognize Beijing or defer action? In a situation where the KMT's future

prospects have improved, how will Beijing calibrate its pressures on Taiwan.

Beijing was deeply concerned about the referendum that asked voters to endorse the idea that Taiwan should participate in the 2020 Olympics under the name “Taiwan.” The International Olympic Committee (IOC), under pressure from Beijing, had sent a letter reiterating that the approved name “Chinese Taipei” could not be changed and warning that approval of the referendum might compromise Taiwan’s participation in the Olympics. Taiwanese voters rejected the proposal by a margin of 1 million votes, apparently viewing the issue in pragmatic terms rather than as an identity issue. That referendum was the stated reason for Beijing to oppose holding the East Asia Youth Games (EAYG) in Taichung in 2019. Taichung mayor-elect Lu wants to review the issue. The TAO has indicated this may be possible but it is not clear what terms Beijing will seek.

The local elections will also have implications for the 2020 elections. It is no longer a foregone conclusion that Tsai Ing-wen will be the DPP candidate. However, in the year before the election, Tsai had brought likely rivals into her administration – Lai Ching-de as premier and Chen Chu as secretary general in the Presidential Office. Both initially offered to resign to take their share of the responsibility, but both have agreed to stay on. It will be difficult for either to challenge her. The party must choose a new chairperson. DPP legislator Tsai Shih-ying has called for the old guard to allow the “middle-aged generation” to assume leadership roles. Tsai has responded positively and stated that the new chairperson should be chosen by the party membership not its leadership. A chairperson elected by members would have political weight. While Tsai appears vulnerable, at a time when the party must place importance on maintaining unity, it may prove difficult for potential rivals to replace her. Another positive factor for Tsai is that Taipei Mayor Ko Wen-je’s very narrow re-election margin (3,000 votes) seriously weakens his viability as a candidate in 2020.

Having won many votes from non-KMT supporters, the KMT is now riding high and feeling optimistic about 2020. While Party Chairman Wu Den-yih is still unpopular with the general public, party members give him a lot of credit, and he will certainly want to utilize the KMT strong showing to achieve his ambition of becoming president. However, the party victory under his leadership is likely to worsen his relations with his current principal rival and former

presidential candidate Eric Chu. Who will emerge as the KMT candidate is quite uncertain.

Despite its electoral recovery, the KMT faces many challenges. The newly elected local leaders must be integrated into what is a very divided party leadership. The relationship between the KMT party and its LY caucus will likely be redefined. The party has not defined an alternative domestic policy vision for Taiwan. For the past two years, the LY caucus has only been attacking the DPP. The KMT’s close ties with the Chinese Communist Party (CCP) are an asset but also a liability. Han Kuo-yu’s election advocating cooperation may be an indication that “China factor” is no longer as negative in Taiwan as it was during the Sunflower Movement in 2014. There is an element, of uncertain size, in Taiwan that now views the Mainland more in terms of economic opportunity. The KMT also needs to renew its relations with Washington, a place that has not been visited recently by a KMT leader.

This local election has several takeaways. Since 2014, two transformations have appeared. First, people have started to vote for candidates with good policies rather than relying on party affiliations. Moreover, voters cast more ballots in a number of policy referenda, over 10 million, than the total votes cast in the elections for mayors and counties commissioners combined. Second, China is now viewed in a more neutral light, but this is only with respect to economics. Taiwanese of both parties are still unlikely to make political concessions on democracy and Taiwanese autonomy. They are more practical facing Beijing’s political bullying. Despite allegations of fake news and online trolling, Beijing wisely stayed quiet publicly in this election as its rhetoric has been counter-productive in the past elections. It is likely to continue this approach in future Taiwan elections.

The 2020 elections are over a year away and the contrasting post-election emotions will fade as time passes. What specific issues will arise in cross-strait relations to test Tsai and her potential rivals are uncertain. The unprecedented DPP gains in the 2014 local elections led to DPP victories in the 2016 presidential and legislative elections. The KMT’s gains this year are impressive but whether they are a predictor of change in 2020 is quite uncertain.

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