

# Analysis on Ma Ying-jeou's Inaugural Address: Challenges and Prospects\*

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IN THE high expectations of people from all circles, Ma Ying-jeou put a mark on cross-Strait relations in his inaugural address delivered on May 20, 2012. With “one country, two areas” as the guiding principle to address cross-Strait relations, Ma emphasized that “within the framework of the Constitution of the Republic of China, Taiwan’s cross-Strait policy must maintain the status quo of ‘no unification, no independence and no use of force,’ and promote peaceful cross-Strait development on the basis of the 1992 Consensus, whereby each side acknowledges the existence of ‘one China’ but maintains its own interpretation of what that means.” The question is, can he provide a new turning point for future cross-Strait relations by defining the Constitutions of the two sides? Where does this lead to, a smooth and promising path, or a rough and painful plight? What are the opportunities and challenges for cross-Strait relations during Ma’s second term in office? These are all important issues of public concern.

In his inaugural address, Ma identified five pillars of national growth—“enhancing the drivers of economic growth,” “creating employment and realizing social justice,” “developing an environment characterized by low carbon emissions and high reliance on green energy,” “building up culture as a source of

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national strength,” and “taking active steps to cultivate, recruit and retain talent”—and put forward the three legs of Taiwan’s security—“the use of cross-Strait rapprochement to realize peace in the Taiwan Strait,” “the use of viable diplomacy to establish more breathing space for ourselves in the international community” and “the use of military strength to deter external threats.” In other words, Ma Ying-jeou’s overall strategy sets national security as the footstone of Taiwan’s development, taking regional economic integration in globalization and U.S.’s return to the Asia-Pacific region into account for Taiwan’s position in the changing world pattern.

Firstly, the five pillars proposed by Ma aim at comprehensively bolstering Taiwan’s global competitiveness, so that during these four years, Taiwan can achieve a fundamental transformation and step into a higher stage of development. The objective is to elevate Taiwan’s economic competitiveness by enhancing the drivers of economic growth. Economic liberalization and improvements to its industrial structure are two necessary means to achieve this goal.

Ma pointed out that, confronted by a restructuring of the global political and economic order and a shift in the economic center of gravity toward Asia, Taiwan is facing unprecedented pressure and challenge. This is brought by the overwhelming tide of free trade agreements being negotiated and signed in the Asia-Pacific region, including the U.S.-Korea Free Trade Agreement that came into effect in March of this year, and a similar agreement mainland China is about to begin negotiating with Japan and South Korea later this year. Taiwan has a very complicated scenario as regards its attempts to join/be part of this trend. Having recently signed the Economic Cooperation Framework Agreement (ECFA) with mainland China, Taiwan is witnessing ongoing vigorous negotiations on free trade agreements in the Asia-Pacific region, while its own negotiations with Singapore and New Zealand respectively are still brewing, which can only deepen its anxiety. Taiwan expects to join the Trans-Pacific Partnership (TPP) initiated by the United States in the coming eight years. Therefore, Ma

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articulated in his inaugural address that Taiwan must step up the pace of liberalization without further delay; must change from a protectionist mindset and revise outdated legislation; must eliminate artificial trade and investment barriers and create a genuinely free and open economic environment for itself that is more in line with international practices.

Ma also proposed how to improve Taiwan's industrial structure, how to develop the efficiency-driven production model of the past into a new innovation-driven and value-creating industrial model, how to incorporate special characteristics of services into the manufacturing sector, how to introduce technological and international elements into service industries, thereby developing a unique aspect of traditional industries. Only in this way can Taiwan's industrial sector genuinely transform itself and carve out an unassailable niche in the global economy.

Hereby, Ma sketched out the vision of a "golden decade" for the "nation." This is a crucial step in Taiwan's move to becoming a "free trade island," but also a difficult one. Taiwan has been losing many critical opportunities for economic transformation for too long, while indulging in its "Taiwan First" ideology without noticing the rapid changes in its surrounding international environment. Once the regional economic integration speeds up and turns into an irresistible trend, South Korea will become the strongest rival of Taiwan's economy and a highlight of regional economic integration that finds favor with all sides and gives Taiwan more pressure. In the past four years, although Ma adopted ECFA, Taiwan's over-reliance on mainland China's tax concessions will soon return to a normal state of market competition. Owing to extensive involvement and complicated implementation, subsequent negotiations on the ECFA will make the promotion of cross-Strait economic cooperation increasingly difficult.

All mentioned above optimize Taiwan's unwillingness for a comprehensive cross-Strait economic integration and its asymmetrical economic reliance on the mainland. The advantages Taiwan used to be proud of are fading away under the rapid changes in international political and economic structure. For this, Ma reminded the "nationals" to be aware of the current international

trend, seize the opportunity to accelerate economic transformation, and review all unfavorable elements in order to bolster Taiwan's competitiveness. These elements include addressing a declining birthrate and an aging population, optimizing the fiscal structure, rationally allocating infrastructure construction, balancing regional development, reducing the gaps between urban and rural areas and between the rich and the poor, as well as developing an environment characterized by low carbon emissions and high reliance on green energy, and rationalizing energy prices. He appealed to his fellow "nationals" that, if they want the nation to develop, then they must reform; if they want reform, then they must bear the short-term pains of adjustment. Taiwan needs to become more competitive if it is to survive and the well-being of its people is to be guaranteed.

Secondly, Ma believes that Taiwan's security rests on three legs—"the use of cross-Strait rapprochement to realize peace in the Taiwan Strait," "the use of viable diplomacy to establish more breathing space for ourselves in the international community," and "the use of military strength to deter external threats," with cross-Strait relations as its core. Over the past four years, his government has resumed institutionalized cross-Strait negotiations, signed 16 bilateral agreements in the areas of economic and trade ties, transportation, public health, culture, education, judicial assistance, and financial services. He anticipates that, in the next four years, the two sides of the Strait will open up new areas of cooperation; and civic groups on both sides of the Taiwan Strait will have more opportunities for exchanges and dialogue focusing on areas such as democracy, human rights, the rule of law and civil society, all of which are necessary to create an environment more conducive to peaceful cross-Strait development. Ma emphasized that the people of the two sides of the Strait share a common Chinese ethnic heritage, share common blood lines, history and culture, and both revere Dr. Sun Yat-sen as the nation's founding father. Taiwan's experience in promoting democracy proves that it is not impossible for democratic institutions from abroad to take root in an ethnically Chinese society. He fervently looks forward to the gradual opening up of greater popular participation in the political process on the mainland, along with steady improvement in human rights and the

rule of law, as well as the autonomous development of civil society. This will further reduce the feeling of “otherness” between people on the two sides of the Taiwan Strait.

Compared to economic development, Ma seems to be more confident for Taiwan’s democratic progress. He explained to the mainland government with sincerity that, the only way to “further reduce the feeling of “otherness” between people on the two sides of the Strait must be the integration of their political systems; to consolidate peace, expand prosperity and deepen mutual trust, the two sides can rely on civic groups by conducting exchanges and dialogue focusing on such areas as democracy, human rights, the rule of law and civil society. Ma is willing to share Taiwan’s experience with mainland China in promoting democracy, yet the latter will surely respond with its achievements in building socialist democratic politics that have received extensive recognition and support by the public in mainland China. In other words, the emotional gap between people on the two sides of the Strait about this issue is caused by the differences in their respective political systems and Taiwanese’s insufficient understanding of the development of human rights, rule of law, and civil society in mainland China. In a sense, the mainland believes Taiwan might have overestimated the influence of its democratic achievements over mainland China, Ma did not elaborate much on the democratic development on the two sides of the Strait in his inaugural address, but tactfully pointed out their political differences, and highlighted his political standpoint and perseverance.

The first leg of Taiwan’s security sets the Constitution of the Republic of China as the supreme guiding principle for how the Taiwan government is to deal with cross-Strait relations. Within that constitutional framework, Taiwan’s cross-Strait policy must maintain the status quo of “no unification, no independence and no use of force,” and promote peaceful cross-Strait development on the basis of the 1992 Consensus, whereby each side acknowledges the existence of “one China” while maintaining its own interpretation of what that means. Both sides of the Taiwan Strait ought to squarely face up to this reality, seek common ground while respecting differences, and establish a consensus regarding “mutual

non-recognition of sovereignty and mutual non-denial of authority to govern.” Only in this way can the two sides move forward with confidence.

When Wu Poh-hsiung, honorary chairman of the Chinese Nationalist Party (KMT) met Hu Jintao, general secretary of the Central Committee of the Communist Party of China (CPC) in March this year, Wu put forward the “one China, two areas” concept for the first time. The mainland government had shown some forgiveness as Wu did not specifically define the concept but maintained its vagueness, while Ma clarified that, speaking of “‘one China’, naturally it is the Republic of China” the one referred to; over the past two decades, the two sides of the Taiwan Strait have been defined as “one Republic of China, two areas.” This change of definition certainly embodies Taiwan’s political consideration. After Ma Ying-jeou won a second term in office in January this year, the KMT has maintained its advantages as the ruling party in Taiwan, and consolidated the stability in cross-Strait relations. During the election, Ma suggested a “cross-Strait peace agreement,” saying that “based on a comprehensive evaluation of conditions at home and abroad, we will consider working for the signing of a cross-Strait peace agreement in order to safeguard a lasting peace across the Taiwan Strait.” Ma emphasized that the signing of this cross-Strait peace agreement must conform to 10 guarantees, including “one framework<sup>1</sup>, two prerequisites<sup>2</sup>, three principles<sup>3</sup> and four assurances<sup>4</sup>” and that opinion poll is the most important premise. He further clarified that, as aforementioned, “one China” refers to “the Republic of China.” Ma meant to occupy a strategic height—the ROC Constitution—to verify the lawfulness of his cross-Strait policy, and to legalize public support in Taiwan as the precondition of his political negotiations with the mainland in the future. After all, only with the support of the public can Ma continue his governance and realize his political ideals. The mainland government’s anticipation to sign a cross-Strait peace agreement seems to be attached with various preconditions and restrictions by Ma. This is where the difference in political systems of the two sides lies in, as well as the difficulty in conducting political negotiations between different forms of government. With

history as a mirror, leaders of the two sides of the Strait shall have their own considerations. Due to the divergence between Taiwan's political parties in whether to conduct political negotiations with the mainland, Ma Ying-jeou has articulated a number of essential conditions, in line with democratic procedures, that need to be met. How to reach public consensus will depend on cross-Strait efforts in enhancing political mutual trust, which poses a challenge for both sides.

This challenge is indicated in the second leg of Taiwan's security. Ma emphasized using viable diplomacy to establish more breathing space for Taiwan in the international community. Over the past four years, rather than adopting "scorched earth diplomacy," Taiwan has chosen "viable diplomacy" and "above-board diplomacy," providing aid in accordance with the principles of "seeking proper goals, acting lawfully, and exercising effective administration." Taiwan has undertaken cooperation projects with its diplomatic allies, and enhanced trade and economic ties and substantial diplomatic relations with the United States, Japan and the European Union. The facts prove that progress in the cross-Strait relationship does not preclude Taiwan's achievement of greater international breathing room. On the contrary, the two can even be mutually complementary. On this basis, Ma hopes over the next four years, Taiwan shall expand its participation in international organizations, including the activities of United Nations agencies that specialize in climate change and civil aviation, while the realization of this wish depends on the attitude of mainland China. Taiwan's international participation is based on "mutual non-denial of authority to govern," while cooperation with the two above-mentioned UN agencies can meet Taiwan's needs: climate change and carbon emission reduction involves Taiwan's industrial transformation; civil aviation security concerns the operation of Taiwan's air transportation network. Therefore, Taiwan's appeal for participating in the two UN agencies is rational. As a "constitutional entity," the Taiwanese government effectively governs Taiwan, Penghu, Kinmen and Matsu islands, and abides by international norms. Even if it is not a signatory of the above international conventions, its committed efforts shall not be denied. The mainland government

shows concern for Taiwan's constant participation in international affairs, since it has reduced the "one-China" dominance. Over the past four years, Taiwan has attended the World Health Assembly as an observer, and acceded to the Government Procurement Agreement under the World Trade Organization. This proves the positive interaction between improving cross-Strait relations and expanding Taiwan's international participation. As Ma reiterated, differentiating sovereignty and authority to govern provides a solution to this long-standing controversy. Differentiating sovereignty and authority to govern can indeed ease the conflict between the two sides across the Strait about international participation. It provides a feasible solution, reduces some unnecessary concerns, and points out a new direction for cross-Strait cooperation.

The third leg of Taiwan's security is a strong national defense to deter external threats. With a "rock solid defense and effective deterrence" military strategy, Taiwan shall enhance relations with neighboring countries, actively participate in international affairs, and promote the establishment of institutionalized channels for strategic dialogue and cooperation. This strategy is more than a mere platitude but has some new significance. In a sense, it echoes the United States' "return-to-Asia" strategy, and also embodies the United States' influence over cross-Strait relations. During Ma's first term in office, the United States approved three arms sales to Taiwan, in aggregate totaling US\$18.3 billion, which fully demonstrates the United States' high attention to cross-Strait relations. Nevertheless, the United States' arms sales strategy has a tendency of denial, while mainland China resorts to both benevolence and severity. Mainland's military strategy towards Taiwan includes preventing the United States' effective intervention in cross-Strait conflict, reducing its arms sales to Taiwan, and reasoning with Taiwan through moral persuasion for safeguarding national interest. However, as the two sides across the Strait have been long separated, the mainland has increased its self-confidence in recent years, while Taiwan people have already acquired a Taiwanese ideological identity. Although Ma emphasized that the people of the two sides of the Strait share a common Chinese ethnic



heritage, common blood lines, history and culture, they might probably acquire the same sense of national identity after longtime deliberation and with encouragement. Moreover, the goal of reunification is not simply achieved between the governments and peoples across the Strait by acknowledging the history trend “*long divided, must unite.*”

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In anticipation of cross-Strait relations in the coming four years, there is a rare and fleeting opportunity for leaders of both sides to redefine history through compromise. In terms of political qualification, Ma Ying-jeou has beliefs and achievements, resolute and upright in character. He abides by the Constitution of the Republic of China as the supreme principle, resists the

temptation of power and personal gain as his motto, and pursues to build China into a nation of freedom, democracy and rule of law. From the bottom of his heart, Ma is still anticipating the mainland to recognize the positive influence of Taiwan's democratic practice over the mainland more affirmatively, so as to fulfill Dr. Sun Yat-sen's ideals of freedom, democracy and equitable distribution of wealth on which he founded the nation. The mainland emphasizes promoting peaceful cross-Strait development on the basis of the 1992 Consensus, progressing forward along this path, consolidating achievements, enhancing cooperation and creating a new situation, also finds expression in Ma's actions. The two sides of the Taiwan Strait have been separated for over 60 years. Neither side can resist the trend of the whole world; whoever follows it will rise, whoever opposes it, will perish. It tests the political wisdom of leaders across the Taiwan Strait, and also directs the orientation of future cross-Strait relations.

<sup>1</sup> Under the framework of the Constitution of the Republic of China, to maintain the status quo of no unification, no independence and no use of force, and promote peaceful cross-Strait development on the basis of the 1992 Consensus.

<sup>2</sup> There would have to be strong social consensus in support of it, and there would also have to be a sufficient degree of mutual trust between the two sides of the Taiwan Strait.

<sup>3</sup> It would have to be necessary to the Republic of China; it would have to be supported by the public; and the entire process would have to be subject to oversight by the national legislature.

<sup>4</sup> These include to ensure that the sovereignty of the Republic of China remains independent and unimpaired; to ensure the safety and prosperity of Taiwan; to ensure ethnic harmony and cross-Strait peace; and to ensure a sustainable environment and a just society.