



Taiwan after the elections: what next?

by Alice Ekman

On 16 January, the independence-leaning Democratic Progressive Party (DPP) won a double victory over the ruling party, the Kuomintang (KMT). DPP candidate Tsai Ing-wen was elected president with 56% of the vote, and for the first time the party won a majority in the Legislative Yuan – Taiwan’s parliament – with 68 of the 113 seats. Taiwan’s foreign policy will remain highly dependent on the evolution of cross-strait relations, as well as US-China relations. But much uncertainty remains over Tsai’s ‘China policy’, the adjustment of Beijing’s own strategy and the overall evolution of cross-strait relations in the coming months and years.

The best indicator of Taiwan’s new domestic and foreign policy orientations will be Tsai’s inauguration speech on 20 May, but it is already possible to identify some of them based on a close look at recent declarations and speeches.

Trade focus

The main goal of Taiwan’s diplomacy under Tsai Ing-wen will be to promote and diversify international trade ties as much as possible, a move designed to boost the island’s stagnating economy. During the campaign – which was dominated by socio-economic issues – Tsai Ing-wen made clear that her presidency will first and foremost be dedicated to improving the livelihoods of the Taiwanese people. She made particular overtures to the young, who often struggle to enter the job market and have difficulty in gaining access to housing.

Promoting Taiwan’s international trade ties is also key to limiting the island’s economic reliance on mainland China. To reduce this dependency, Tsai Ing-wen – who previously contributed to negotiations over Taiwan’s entry into the World Trade Organisation (WTO) – will seek to join the Trans-Pacific Partnership (TPP), or at least ensure Taiwan’s inclusion in the second round of negotiations. At the same time, the government will try to adjust domestic trade regulations to ensure compliance with TPP requirements (particularly in the agricultural sector). Recent declarations also indicate that resuming talks on a free trade agreement with Japan will also be at the top of Tsai’s agenda.

At the same time, Taiwan will try to launch what the DPP so far dubbed a ‘new southbound policy’. Supported by a specific task force, this is aimed at reinforcing of ties with South and South-East Asia in a number of areas (mainly economic ones, but also tourism, culture, etc.).

The priority for Taipei will be to strengthen ties with the US and Japan first, and then with ASEAN countries, but its links with the EU are also increasingly important. This is largely because the new administration hopes to move away from cross-strait obstacles and develop relations outside of the region – in particular with democracies. The negotiation of the Bilateral Investment Agreement – dominating Taiwan’s relations with the EU in recent years – is likely to remain the number one priority for Tsai Ing-wen.

In the long term, Taiwan hopes to boost cooperation with Europe in a number of fields: technology (smart-phones, big data, cybersecurity, etc.), renewable energy (Tsai aims to have a nuclear-free Taiwan by 2025), and other innovative industries. This will be part of a bid to remain a major competitor in the global technology supply chain and catch up with South Korean companies on the European market. Taipei will notably try to promote cooperation among small and medium enterprises, as they constitute the core of Taiwan's economy (unlike South Korea, the country does not have many large conglomerates).

Regional balance

It is unclear whether Tsai will continue Ma's 'South China Sea Peace Initiative' – which proposes to set aside sovereignty issues to focus on resource sharing and joint development in the South China Sea – but the issue will undoubtedly remain one of Taiwan's top concerns under DPP leadership. Her position may not differ greatly from that of her predecessor: she has already stated that she will maintain Taiwan's claims to Taiping/Itu Aba Island and the surrounding waters. And at the same time, like Ma, she has also stated that her administration will be "committed to following both international law, the United Nations Convention on the Law of the Sea, and respecting the freedom of navigation."

When it comes to defence, Tsai is also likely to follow in Ma's footsteps. In a speech last June in Washington, she emphasised that "proper investment in credible deterrence" is key to facing increasing military threats in the region, and has called for the development of asymmetric capabilities involving both the acquisition of foreign defence equipment and investments in indigenous defence programmes. Regarding non-traditional security challenges, the DPP has so far indicated that it intends to promote regional cooperation, with the help of its NGOs, by engaging in four areas: humanitarian assistance, disease prevention, climate change mitigation and disaster relief. In the latter domain, the DPP is planning to expand the operations of Taiwan's rescue training centre in order to share experiences in responding to natural disasters with regional partners.

Beyond the region, Taiwan may formulate a clearer-cut position on key international crises, in particular on the Syrian refugee crisis. In a speech on 29th anniversary of the founding of the DPP last September, Tsai said that "there is a clear need to establish a domestic legal mechanism that will enable Taiwan to join international efforts to assist refugees." Taiwan may also contribute to counter-terrorism efforts to a limited extent, mostly through its participation in the Port Security Initiative (PSI) of the Internal Maritime Organisation (IMO) and the US-led Megaports Initiative.

Diplomatic methodology

Given Taiwan's disputed diplomatic status, its foreign policy will continue to be conducted through a host of informal channels. Its trade initiatives will be promoted by businesses, as well as Taiwan's overseas missions (which more than ever will be asked to play the role of trade facilitators) and chambers of commerce. In addition to economic actors, civil society groups are likely to play a more important role in Taiwan's global outreach. Taipei will try to promote long-term global partnerships between domestic and foreign NGOs: Tsai has already planned the establishment of an "international centre for NGOs". The new government will also seek the revival of the Taiwan Foundation for Democracy and the NGO committee in the ministry of foreign affairs – created by the former DPP administration.

At the same time, and partly through this NGO channel, Taiwan will continue to seek to participate in several international organisations, including Interpol, the International Civil Aviation Organisation (ICAO), and the World Health Assembly (WHA).

On the conceptual side, Tsai is currently emphasising a "model of new Asian values in Taiwan" – based on "participatory democracy" among other features, which could potentially serve as a reference point for other countries in the region. Given the DPP's history (the party has its roots in the country's 1980s pro-democracy movement) and Tsai's recent declarations, it is likely that Taiwan will now reinforce its public diplomacy strategy based on the promotion of freedom of expression in the region and beyond.

Twin with Taiwan

Local politics is also likely to be promoted. During the campaign, the DPP leadership began a series of meetings with DPP-run municipal governments with the aim of strengthening so-called 'city-to-city diplomacy' in the coming years. Following the elections, Taiwanese cities will probably seek to develop ties with global urban counterparts, including those in Europe.

All these policies are yet to be confirmed and, should they be pursued, are likely to face significant challenges and opposition. Nonetheless, they provide solid indications of the future orientations of Taiwan's policy and showcase the diverse nature of potential channels of engagement in non-political relations with the island.

Alice Ekman is Head of China Research at IFRI and a Senior Associate Fellow at the EUISS.

