

4 The China impact on Taiwan's elections

Cross-Strait economic integration through the lens of election advertising

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Since the lifting of martial law in 1987, there has been a transformation in Taiwan's trade and investment patterns. In that year, Taiwan's dominant trade partners were still the United States and Japan, while trade and investment with China remained outlawed and only limited indirect flows were possible. It was not until 1987 that the Taiwanese were permitted to visit China, and it would be another two decades before there was genuine liberalization in the form of Chinese visitors coming to Taiwan for tourism and study.¹

The shift towards increasing trade relations with China began in the early 1990s, although it was largely registered as trade with Hong Kong. Similarly, much of the initial China-bound Taiwanese investment was routed via Caribbean tax havens, such as the British Virgin Islands and the Cayman Islands. However, between the mid-1990s and the fall of the Democratic Progressive Party (DPP) government in 2008, a political stalemate featured prominently in cross-Strait relations, while rapid integration or convergence was the dominant trend in the economic sphere. The return to power of the Kuomintang (KMT) in 2008 resulted in much closer economic integration and warmer political relations. By the time Taiwan signed the Economic Cooperation Framework Agreement (ECFA) with China in 2010, China (including Hong Kong) had become by far Taiwan's leading trading partner and destination for outward investment. The fact that Taiwan still enjoys a healthy trade surplus with China is critical for the country's capacity to maintain an overall balance of payments surplus.

Over the last two decades, Taiwan's governments have fluctuated between liberalizing and attempting to control levels of cross-Strait trade and investment. Key elements in its attempts to prevent trade dependence in the 1990s were the 'go south' (南向政策) policy that encouraged Taiwanese companies to invest in South East Asia rather than in China, and the 'go slow, be patient' (戒急用忍) guidelines that aimed to monitor and limit the level of Taiwanese investment in China. Such measures were primarily motivated by political concerns, such as expanding Taiwan's international relations and also preventing China from exploiting trade dependence in its bid to achieve its ultimate goal of Chinese unification. Under both the DPP (2000–2008) and KMT (2008–present) administrations there has been a progressive trend towards trade and investment liberalization. Nevertheless, the question of whether the economic benefits of

cross-Strait economic integration outweigh the potential national security consequences has been a hotly debated political issue since Taiwan's democratic transition. The centrality of the Cross-Strait Services Trade Agreement in the Sunflower social movement protests in 2014 reflects the fact that Taiwan's society remains deeply divided on the issue of economic integration.

This study considers the China impact on Taiwan's electoral politics. The China impact is conceptualized here by looking at how growing economic integration has affected the way that Taiwan's economic relations with China have been debated in electoral propaganda. The relationship has been two-way, since the increase in economic links has made cross-Strait trade an increasingly salient electoral issue and, at the same time, electoral debate has had a growing effect on how cross-Strait policy is developed on the Taiwan side. As with other policy areas, there has been a shift from top-down decision-making to a situation in which cross-Strait economic policy has to take into account public opinion and lobbying by societal actors.²

Using an approach that employs political communications data to analyse changing patterns in the economic relations debate has a number of advantages. First, election advertising represents one of the most accessible forms of political communication in Taiwan. Such messages are impossible to avoid because of the vast quantity of election advertising in newspapers, on television and online. In comparison, voter exposure to election policy white papers (generally the closest thing to manifestoes in the Taiwan context) or even to the presidential debates is far lower.³ Second, since political advertising tends to be designed for the ordinary voter, complex policy issues have to be simplified and more informal reader-/viewer-friendly language has to be employed. By adopting another perspective, we can distinguish between what Carmines and Stimson call 'hard' and 'easy' issues.⁴ They argue that easy issues tend to be symbolic, not requiring great factual knowledge, and are easily understood at gut level. Effective political advertising will always frame an issue as an easy issue. Third, as I have shown in a number of previous studies, political advertising can tell us much about the state of political competition.⁵ Content analysis of political advertisements can reveal the issues on which the parties are competing and whether the parties are adopting radical or moderate stances. This can contribute to the debate on whether parties are moving towards the centre or becoming polarized.⁶ Lastly, such a study can contribute to the arguments about the state of Taiwan's democracy. Jean Grugel defines democracies as 'political systems comprising institutions that translate citizens' preferences into policy'.⁷ To achieve this condition, it is essential for parties to offer voters a clear picture of their positions and, ideally, there should be a degree of choice between the parties. Parties therefore also need to go beyond just adopting slogans; they have to try to educate the voters on their policy preferences as well as persuade them to vote accordingly.

For the purposes of this chapter, I have examined the content of a range of political advertising data to find out how proponents and opponents of closer economic integration with China have tried to sell their ideas over the last 20

1 years. The two main data sources examined are TV election advertisements and
2 newspaper election advertisements.⁸ I aim to show how the quantity and quality
3 of issue emphasis has changed over time, using an approach based on time series
4 analysis. In this era of growing economic ties between China and Taiwan, the
5 central research questions are:

- 6
- 7 1 How have the parties altered their treatment of the cross-Strait economic
8 integration issue in their propaganda?
- 9 2 What are the implications of these changes for Taiwan's party system?
- 10

11 In this chapter, I argue that Taiwan's parties moved from largely ignoring the
12 issue at the outset of multi-party elections to participating in quite heated elec-
13 tion debates on the pros and cons of economic integration with China. There
14 have also been significant changes in terms of party emphasis and positions over
15 time. Although there have been some similarities to the trends in changes in
16 party positions on the issue of unification versus independence (*tong du* 統獨),
17 there are also significant differences. The *tong du* issue is often conceptualized
18 as a spectrum in which the far right advocates rapid unification and the promo-
19 tion of Chinese nationalism while the far left calls for a declaration of Taiwan
20 independence. Likewise, we can think of the cross-Strait economic issue as a
21 spectrum in which the far right represents complete economic integration while
22 the far left prioritizes national security and thus maintains strict controls over
23 economic ties with China. The main parties have shown considerable movement
24 in their positions on this issue, although the overall trend has been towards the
25 acceptance of greater economic liberalization with regard to China. My research
26 also reveals how the issue agenda is changing over time, for while during much
27 of the 1990s contestation over China–Taiwan relations was focused on the
28 abstract debate on unification versus independence, there has since been a
29 genuine shift towards debates on more practical economic cross-Strait issues.

31 Early election treatment of cross-Strait economic issues

32 Despite the sudden initial explosion in cross-Strait economic ties in the early
33 1990s, the issue received surprisingly little attention in campaign propaganda.
34 Instead, the focus of the debate on cross-Strait relations was both highly political
35 and abstract. The parties were extremely polarized in their visions in the first two
36 full democratic elections in 1991 and, to a lesser extent, in 1992.⁹ The DPP and
37 its candidates tended to call for an independent Republic of Taiwan and warned
38 of the dangers of political unification with China.¹⁰ In contrast, while the KMT
39 spoke positively about its proposal for unification under the National Unification
40 Guidelines, it focused its attacks on the costs and dangers of Taiwan independ-
41 ence.¹¹ The KMT, in particular, employed what I have described as its terror
42 formula of 'DPP = Taiwan Independence = CCP invasion' in numerous adver-
43 tisements.¹² Similarly, the DPP tried to scare voters by warning of the terrifying
44 consequences of unification with China. For instance, a DPP candidate asked,
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‘Are you willing to see the five star red flag flying over Taiwan?’¹³ One of the few exceptions to the avoidance of cross-Strait economic ties in elections came in an advertisement placed by the KMT candidate in Taipei City, Chen An-bang (陳安邦), in the 1991 campaign for the National Assembly. One of his three core slogans was ‘direct cross-Strait trade’.¹⁴ This featured in his newspaper advertisements and also on his street posters.¹⁵ However, this should not be taken as reflecting the official KMT positions since, in fact, Chen’s other two core slogans were borrowed from the DPP. These were ‘direct presidential election’ (總統直選) and ‘welfare state’ (福利國家). At this point, however, the two main parties adopted similarly cautious positions on economic links with China.

In the mid-1990s, the Taiwan government attempted to reduce economic dependence on China with various initiatives such as the ‘go south’ policy. However, the issue still seemed to be mainly off the electoral agenda. Both the leading parties continued to use their terror messages, but they also largely steered clear of the ultimate solutions for cross-Strait relations that they had promoted in 1991.¹⁶ With the cross-Strait crisis of 1995–1996 ongoing, it was not surprising that much propaganda was related to the risks of conflict breaking out.¹⁷ The KMT tended to stress its strength in standing up to China, while the New Party preferred to blame the KMT’s gradual independence policies for taking Taiwan to the brink of war.

One element of economic integration that the DPP did try to bring into the electoral debate was the prospect of uncontrolled Chinese labour migration if Taiwan were to be unified with China; to this effect, two migration-themed TV advertisements were launched in 1995. Nevertheless, the DPP’s treatment of the issue of economic integration was not yet at the policy level. It was highly symbolic and emotionally charged, showing images of crowds of homeless Chinese migrants in major Chinese cities and dehumanizing the migrants by portraying them as almost zombie-like figures with blank eyes. Moreover, neither of the DPP’s competitors were making proposals to open up Taiwan to Chinese labour migration.

The first instance of a party coming up with specific policies in its election advertising to promote cross-Strait economic integration was the New Party (NP). The NP had been established in 1993 by former KMT politicians who were dissatisfied with their party’s ties with political corruption and its national identity positions under Lee Teng-Hui (李登輝). In 1995, the NP issued a full-page newspaper advertisement entitled ‘All New Beef, Wisdom of the Highest Quality’ (全新牛肉, 智慧極品).¹⁸ In this advertisement, the NP called for ‘special economic trade zones’ (經貿特區) to be established in Taiwan that could engage in direct trade with China and thus promote cross-Strait economic and trade relations. In addition, it called for the protection of the rights of the Taiwanese business people or Taishang (台商) in China. This was therefore one of the first election appeals to the growing Taiwanese community living and working in China; it also set a precedent for the detailed manifesto-style advertisements that other parties would later produce to give voters the necessary information on party policy positions for issue voting.

1 In 1995–1996, at least in its propaganda, the KMT had not yet warned voters
 2 that it planned to urge business restraint in Chinese trade and investment. There
 3 were not yet open calls for what would become the ‘go slow, be patient’ pol-
 4 icies. For instance, the 1996 advertisement entitled ‘The Beef is Here’ (牛肉在
 5 這裡) touted the KMT’s success in achieving gradual economic liberalization
 6 with China and cited the 1995 cross-Strait trade figures as evidence of this
 7 success.¹⁹ In the same advertisement, the KMT also called for an expansion of
 8 the ‘go south’ project. However, the related project on which the KMT placed
 9 most emphasis in 1995–1996 was the concept of turning Taiwan into an Asia-
 10 Pacific Regional Operations Hub (亞太營運中心) for businesses in the region.²⁰
 11 The concept was open to interpretation either as a bid for closer economic ties
 12 with China or as a tool to strengthen Taiwan’s economic diplomacy with South-
 13 east Asian and Western countries.

14 In short, the review of the campaigns up until the first direct presidential elec-
 15 tion suggests that the China impact had not yet fully come into play. In other
 16 words, despite closer cross-Strait economic ties, such issues were not viewed as
 17 salient by the major parties as a means of winning voters’ support. The NP
 18 represented a lone voice openly calling for closer economic integration. The
 19 pattern on the cross-Strait issue seemed to overlap with that of the changes in the
 20 positions of the parties on national identity, with the KMT and DPP converging
 21 in the mid-1990s on a position that prioritized national security in economic rela-
 22 tions with China, leaving the NP isolated in its more orthodox Chinese national-
 23 ist stance.²¹

24 Debates of the late 1990s

25 Despite the KMT government’s ‘go slow, be patient’ guidelines, Taiwan was
 26 becoming increasingly economically dependent on China, as Taiwanese com-
 27 panies found ways to expand their trade and investment in China. In this context,
 28 there were signs that the parties were starting to take the issue more seriously by
 29 the late 1990s. In the 1997 local elections, while the main parties were focused
 30 on domestic issues such as welfare systems and political corruption in their cam-
 31 paign advertising, the NP was actually trumpeting its success in winning the
 32 debate on closer cross-Strait economic ties. One such advertisement pointed out
 33 that the NP had advocated direct links since its formation four years earlier and
 34 had argued that the Asia-Pacific Operations Hub would not be able to succeed
 35 without such links. The same advertisement also mentioned the fact that other
 36 parties had previously labelled the NP as a ‘spokesperson for the CCP’ (中共代
 37 言人) for advocating direct transport links to China, but now the DPP chairper-
 38 son, Hsu Hsin-Liang (許信良), and leading entrepreneurs, such as Chang Yung-
 39 Fa (張榮發) (President of Evergreen), had come out in support of the three
 40 links.²²

41 In 1998, the DPP held the China Policy Conference at which the party chair-
 42 man, Hsu Hsin-Liang, and allies spoke in favour of boldly going west. In other
 43 words, Hsu was calling for a policy of economic liberalization with China that
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was similar to the NP's policy. Nevertheless, Hsu's vision faced considerable opposition within the party from factions that held a position similar to that of Lee Teng-Hui. In the event, a compromise formula was reached under the heading of 'strengthen the base and go west' (強本西進), which attempted to locate the party between the NP's full liberalization and the KMT's 'go slow, be patient' guidelines. Nevertheless, perhaps due to the DPP's internal divisions over the issue, the decision was made to not test this new formula by using it as an election appeal in the December national elections. In contrast, it was only the KMT that paid greater attention to economic issues in its propaganda. A number of the KMT advertisements trumpeted the party's success in guiding Taiwan through the Asian financial crisis, which had had such a detrimental impact on its neighbours such as South Korea.²³ Moreover, for the first time the KMT started to emphasize in its TV advertisements that the promotion of 'go slow, be patient' policies was vital for defending Taiwan's national security.²⁴

After the decisive presidential election of 2000 and the political turnover of power, both continuity and change could be observed in the way that the main parties addressed the issue of economic integration. The DPP's Resolution on Taiwan's Future (台灣前途決議文) and China Policy Conference demonstrated moderation in its cross-Strait and *tong du* positions. However, because the DPP again preferred to keep such topics off the election agenda they therefore did not feature prominently in its campaign advertising. This was the last time that the KMT used a heavy anti-independence appeal at the core of its campaign with frequent use of the terror message. Since the KMT candidate, Lian Chan (連戰), was the handpicked successor to Lee Teng-Hui, there were still no signs of a change of stance on cross-Strait economic liberalization. Other than repeating Lian's 'success' in promoting Taiwan as an Asia-Pacific Operations Hub, the KMT instead preferred to concentrate on attacking what it saw as the changeability and danger of the DPP's China policies. For instance, one KMT TV advertisement under the slogan 'changeable, contradictory, dangerous' (搖擺, 矛盾, 危險) contrasted Chen Shui-Bian's (陳水扁) claim of promoting a New Middle Way (新中間路線) with his slogan of 'Long live Taiwan independence' (台灣獨立萬歲) and the dangers of his calls to open Taiwan up to Chinese investment. A similar newspaper advertisement also questioned the 'dangerous and contradictory' nature of Chen's China policy. This time, in addition to Chinese investment, Chen was criticized for promoting direct links with China.²⁵ The advertisement went on to cite survey data showing that the public had greater trust in Lien to handle cross-Strait relations.

In short, the elections in the late 1990s suggested that the main parties were finally taking the economic integration issue seriously: they were beginning to move the debate on how to interact on economic issues with China on to the electoral agenda. On the policy spectrum, the DPP was gradually moving towards the NP's position of accepting economic liberalization with China, while the KMT remained the most conservative on this topic. The DPP was still clearly divided on the issue, however, and was therefore cautious about openly advocating liberalization in its propaganda.

Debates on cross-Strait integration under the DPP government, 2000–2008

Although the DPP era also featured the continuation of economic convergence and political divergence, it differed strongly from the final Lee administration (1996–2000) in that the DPP government was more willing to allow economic liberalization in China relations. A key moment in this process was the consensus reached at the Economic Development Advisory Conference (經發會), in August 2001, to lift the ‘go slow, be patient’ limits on cross-Strait investment.²⁶ Despite the economic consensus and Taiwan’s economic recession at the time, the 2001 elections featured quite limited discussions on economic integration with China. Although the KMT repeatedly blamed the DPP for the economic recession, it was not yet ready to openly repudiate its anti-integration policies of the 1990s. Once again, the only party attempting to make the case for real change was the NP, which was moving towards its most extreme national identity position to date under the leadership of Hsieh Chi-Ta (謝啟大).²⁷ In an advertisement placed in major newspapers on 25 July 2001, the NP used the slogan, ‘idiot, the problem is cross-Strait’ (笨蛋, 問題在兩岸).²⁸ The advertisement called for peaceful unification under what it called the ‘One Country, Three Systems’ (一國三制) model.²⁹ From the NP’s perspective, the solution to the crisis facing Taiwan was not purely economic but lay in the need for real cross-Strait integration. The advertisement argued, ‘Everyone knows that only if a greater Chinese economic community can be established by the three cross-Strait places will they be able to be mutually complementary and share common prosperity. Only in this way will Taiwan be able to avoid the effect of economic flight’. (誰都知道, 唯有兩岸三地建構起一個大中華經濟圈, 互補互利、共存共榮, 才是台灣經濟化解磁吸效應.)

By 2004, it had become clear that a new pattern was developing in the party spectrum on cross-Strait economic ties. The KMT came out strongly in support of closer economic integration. Its proposals were quite similar to those of the NP in the mid-1990s and late 1990s, positions that it would previously have condemned as endangering Taiwan’s security. For instance, one of the KMT’s 2004 presidential advertisements called for direct transport links with China and the creation of air safety corridors.³⁰ In addition, it advocated the establishment of free trade ports to promote closer cross-Strait trade relations.

The DPP government had come to power with quite a positive view on cross-Strait economic ties that did not rule out establishing direct links. In its first two years in power, the DPP made some conciliatory gestures towards the PRC. Nevertheless, the PRC did not view the DPP conciliatory gestures as sufficient, since the DPP had not been willing to fulfil the preconditions of accepting the 1992 Consensus or the one China principle. Thus the only progress that the DPP was able to make with regard to establishing direct transport links took the form of the three mini-links, which involved direct shipping between the islands of Kinmen and Matsu and China’s Fujian Province. This meant that, despite the continued economic integration, the DPP had little to gain from placing the issue

on the election agenda. It could not gain anything from opposing integration and highlighting the costs of integration, as it was responsible for the lifting of the ‘go slow, be patient’ restrictions. The DPP therefore largely steered clear of the topic in the 2004 national election campaigns for the president and parliamentary seats.

Instead, it was the DPP’s ally, the Taiwan Solidarity Union (TSU), that led the voices of caution on the dangers of economic integration with China. In this way, the party adopted a similar position to that of Lee’s KMT in the 1995–2000 period. A representative TSU TV advertisement was the 2004 football advertisement (足球篇). In this spot, the TSU was represented as a goalkeeper saving repeated penalty kicks in which each shot symbolized an element of political or economic integration with China. The blocked shots included eight-inch wafer production going to China, the liberalizing of stock-market-listed company investment in China, and the unequal three links (八吋晶圓西進, 放寬上市集資投資中國, 不對等三通). The Taiwanese being protected from such dangers were represented in the advertisement as infants playing inside the goal, a mother bottle-feeding her child and an old lady knitting behind the goal.

The elections which saw perhaps the greatest attention being paid to economic integration, however, were the final elections of the DPP era, those for the Legislative Yuan in January 2008 and the presidential election in March. Landslide victories brought the KMT back to power and, with it, a degree of political domination that Taiwan had not experienced since the democratic transition period of the late 1980s to early 1990s.

Once again, the party taking the strongest line against economic integration with China was the TSU. Instead of the abstract approach it had taken 2004, it tried to convince the public of what it saw as the negative consequences of the China impact, thus attempting to move voters by telling the true stories of how the Taiwanese people were becoming victims of cross-Strait integration. The Tea Farmer TV advertisement (茶農篇) showed how, because of competition from Chinese tea imports, a tea picker had been forced to leave the fields and face the hardship of becoming a trainee hairdresser in the city. She appealed to the audience, saying ‘I would rather go back to picking tea leaves. Can you help me?’ The advertisement ends by explaining how the TSU protects local industries by successfully gaining significant subsidies for Taiwanese tea producers to cope with Chinese imports. The second such advertisement tells the story of a towel factory producer that has now been reduced to distributing towels in his friend’s KTV club. We see images of the factory closing down and are told that most towels are now imported from China but that the quality of Taiwanese towels is much better. The advertisement ends by pointing out how the TSU has protected local industry by promoting an anti-dumping tax for Chinese towel imports. What is special about these two advertisements is that they not only warn against the impact of trade integration but also promote policies to deal with the consequences.

Particularly in the 2008 presidential election, one of the DPP’s most emphatic appeals was against the KMT’s proposal for a Cross-Strait Common Market

1 (兩岸共同市場) or what the DPP often preferred to call the One China Common
 2 Market (一中共同市場). For instance, the ‘Taiwanese labour friends, are you
 3 ready?’ TV advertisement (台灣勞工朋友你準備好了嗎?) claimed that Ma
 4 Ying-Jeou (馬英九) supported a One China Common Market and the recogni-
 5 tion of Chinese education qualifications. The narrator talked of the 200 million
 6 unemployed people in China and images were shown of huge crowds of home-
 7 less migrants in major Chinese cities (last seen in the DPP’s 1995 advertise-
 8 ments). Viewers were told that ‘Chinese labour is coming’ (中國勞工要來了).
 9 Another advertisement warned that Chinese salaries were a fifth of those in
 10 Taiwan and asked whether (if Ma were to win the election) viewers would want
 11 to compete against 200 million people. A number of advertisements stressed the
 12 dangers of recognizing Chinese education qualifications under Ma’s One China
 13 Common Market. The narrator asked whether ‘with the streets full of fake diplo-
 14 mas will you still be able to make a living?’ (滿街的假學歷, 你能夠保主你的
 15 飯碗嗎?). A similar advertisement showed a teacher, a nurse and a civil engi-
 16 neer all voicing concern about fake diplomas and the future careers of profes-
 17 sionals trained in Taiwan.

18 The DPP also warned of the potential consequences of the One China
 19 Common Market for Taiwan’s farmers, with a number of advertisements that
 20 visualized how Taiwan would be swamped by Chinese agricultural products.
 21 These were designed to challenge the KMT’s argument that Taiwanese farmers
 22 would be able to profit from the Chinese market. In the Banana TV advertise-
 23 ment (香蕉篇), a cartoon showed a Taiwanese banana farmer cheerfully receiv-
 24 ing payment for his crops at the Cross-Strait Agricultural Product Market (兩岸
 25 農產市場), but then moments later being buried under a mountain of bananas
 26 coming from China. The advertisement ends with the slogan ‘Under Ma Ying-
 27 Jeou’s One China Common Market, Taiwan will not come to a good end’ (馬英
 28 九的一中共同市場, 台灣沒有好下場). Another DPP strategy was to warn of
 29 the dangers of ‘evil Chinese products’ (黑心中國產品): we hear the US pres-
 30 idential candidate, Barack Obama, saying that he will ban imports of Chinese
 31 toys and the Japanese PM (after the poisoned dumpling incident) saying that he
 32 will strengthen the testing system for imported Chinese products. This is con-
 33 trasted with Ma’s advocacy of a One China Common Market which would allow
 34 Chinese products and people to freely enter Taiwan. We then hear Hu Jintao
 35 (胡錦濤) calling for the strengthening of cross-Strait trade and other forms of
 36 exchanges under the One China principle, and the advertisement ends by asking
 37 Ma ‘Which country’s side are you on?’ (你到底站在哪一國?) In this way, the
 38 advertisement ties in well with the DPP’s questioning of the loyalty of KMT
 39 politicians to Taiwan in a number of campaigns, insinuating that they are going
 40 to sell out Taiwan to China.

41 The KMT’s promotion of a Cross-Strait Common Market in 2008 reveals
 42 how the party had shifted towards policies promoted by the NP in earlier cam-
 43 paigns. However, in that year the KMT actually had far more advertisements on
 44 its goal of promoting Taiwan’s international space than on new China policies.
 45 Some of the advertisements were quite reminiscent of those showing Lee on the

international stage during the 1996 presidential campaign. The difference was that the leading actor in the show was now Ma. In one TV advertisement, we see Ma calling for UN membership as well as direct cross-Strait transport and trade normalization. The idea of a balance between international and cross-Strait economic relations is visible in the concluding slogans for making Taiwan into (1) the Global Innovation Centre (全球創新中心), (2) the Asia-Pacific Economic Trade Pivot (亞太經貿樞紐) and (3) the Taishang Operations Headquarters (台商營運總部). However, the KMT did try to defend its cross-Strait policies and to refute the DPP's terror message regarding the dire consequences of Ma's Cross-Strait Common Market. For instance, in one 50-second TV advertisement, the KMT's vice presidential candidate, Vincent Siew (蕭萬長), criticized the DPP government for its economic failures and election tricks. He then defended his Cross-Strait Common Market proposal, claiming that it was Taiwan-centred and that it offered a solution to Taiwan's economic problems. The screen showed multiple newspaper reports in which Chen Shui-Bian, the premier Chang Chun-Hsiung (張俊雄) and the economics minister Lin Hsin-Yi (林信義) all praised the idea of a Cross-Strait Common Market. Another advertisement tried to challenge the DPP's warning that Taiwan risked being flooded by Chinese labour. Here the slogan was, 'The DPP slanders the Cross-Strait Common Market, the people can see through this' (民進黨抹黑兩岸共同市場, 人民看的清). A voice is heard asking, 'How can the Chinese come to work here without ROC ID cards?' And a lawyer asks, since people with Chinese diplomas will not be able to take licence examinations, will they be able to gain licenses? A teacher even asks 'how can they come here to teach if they cannot read complex characters?' And a doctor explains that the KMT is 'talking about opening up to Chinese tourists, not to Chinese labour'. This last advertisement follows a line that often appeared in the KMT's propaganda during the last years of the DPP era, warning voters not to be taken in by what it terms 'DPP lies and dirty tricks'.

In 2008, therefore, the parties were far apart when it came to economic relations with China and the issue received far more election-advertising attention than had any earlier election. The KMT had replaced the NP in trying to convince voters that cross-Strait economic integration would act as a tonic for Taiwan's economic crisis. In contrast, the DPP and TSU, although critical of Ma's Cross-Strait Common Market concept, were not able to offer an alternative policy package. Thus, just as Taiwan's parties became polarized on national identity issues during Chen's second term, we saw similar trends in their treatment of cross-Strait economic issues.³¹ Although election results are dependent on multiple variables, the 2008 elections did offer voters a real choice on how to handle cross-Strait relations, and the KMT's resounding victories could be interpreted as giving Ma the legitimacy to put his Cross-Strait Common Market pledges into practice.

Electoral debates over cross-Strait ties in the Ma Ying-Jeou era

On coming to power, Ma and his KMT administration moved quickly to transform cross-Strait economic and political relations. Meetings between the Straits Exchange Foundation (SEF) and the Association for Relations Across the Taiwan Strait (ARATS), which had last been held in 1998, were revived and became a regular feature during Ma's first term in office. A total of 16 agreements emerged from these meetings under the first Ma administration (2008–2012), many of which have had substantive impacts. Key developments include (1) direct shipping and scheduled flights, (2) allowing Chinese students to study in Taiwan, (3) large numbers of Chinese tour groups and limited opening up to independent Chinese tourists wishing to visit Taiwan, (4) liberalization of Chinese investment in Taiwan, and (5) food safety agreements. However, from the perspective of the KMT (and the CCP) the jewel in the crown of their cross-Strait agreements was the signing of the Economic Cooperation Framework Agreement (ECFA) in 2010. This large-scale agreement allowed for significant tariff reductions on a large number of items of cross-Strait trade and was an agreement which many economic analysts view as being of greater economic benefit for Taiwan. Naturally, the CCP is trying to use closer economic ties to achieve its political goals of preventing Taiwan independence and promoting unification. A key means of doing this is keeping the DPP out of power. Therefore, the CCP has attempted to use economic incentives to convince voters of the benefits of closer ties. One feature of this has been large Chinese provincial procurement groups coming to Taiwan as well as highly targeted economic procurement aimed at locations with strong DPP voting support. One such case that received much publicity has been promotion of exports of milkfish from the DPP's stronghold of Xuejia (學甲) in Tainan to China.³²

The new cross-Strait economic agreements left the DPP facing a severe dilemma. Many of these cross-Strait developments were actually quite popular and benefited Taiwan economically. Moreover, many of these policies had been initially developed under the DPP and it was the PRC that had prevented them from being fully implemented earlier in order not to allow the DPP government to claim the credit.³³ It did, however, together with the TSU put up a strong campaign against the ECFA. These parties tried in vain to promote a national referendum on the ECFA.³⁴ In the run-up to the signing of the ECFA, the two major parties tried to influence voters with a series of advertisements focused on the ECFA. The DPP once more stressed the dangers of the ECFA for Taiwan's labour market. In the 'Who will benefit from the ECFA?' advertisement (ECFA 對誰有利?篇), the DPP warned voters that after Hong Kong signed an economic agreement with China, the gap between rich and poor had become the worst in the world. The advertisement then ended with the slogan, 'we do not want an ECFA where the rich get richer and the poor get poorer', (我們不要讓富者越富窮者越窮的ECFA). In response, a number of KMT government ministries launched TV advertisements extolling the potential benefits for Taiwan's

business people that would accrue from increasing economic competitiveness. The highlight of the ECFA campaign came in the form of the televised debate on the proposal between Ma Ying-Jeou and the DPP chairwoman Tsai Ing-Wen (蔡英文). Many observers argued that Ma performed better than Tsai in the debate.³⁵ It is debatable whether the DPP really wanted to see a referendum over the ECFA because public opinion in Taiwan generally tends to adopt an ‘economics first’ position on controversial issues.³⁶

In January 2012, combined legislative and presidential elections were held in Taiwan. These represented the first real opportunity for voters to offer their verdict on the full package of Ma’s cross-Strait policies in national level elections.

The KMT employed a number of strategies to address the issue. First of all, attention was drawn to the positive consequences of integration for Taiwan’s fruit farmers by showing a number of KMT advertisements that explained how Taiwan had exported more fruit in the three years under the KMT than during the eight under the DPP, and that certain fruits had sold especially well in China, Japan and even America. One such advertisement visualized these exports by means of images of people with fruit-shaped heads being widely acclaimed abroad. Similarly, an advertisement was issued on 12 December 2011 that praised the role played by the ECFA in increasing Taiwan’s economic growth rate and in increasing agricultural exports (including tea and fish) along with growth in consumer spending.

Second, action was taken to convince the Taishang that only the KMT government could protect the interests of the Taishang through its cross-Strait policies. On 27 November 2011, the KMT issued a TV advertisement which was designed to look like a TV news interview in which Ma praised the role that the Taishang play in improving cross-Strait relations and promoting Taiwan’s economic growth. This was part of a concerted KMT attempt to appeal to the Taishang to come back to vote and to help to ensure that Ma was re-elected.

Third, the KMT’s cross-Strait record was compared with that of the DPP. On 3 January 2012, a KMT advertisement started with images of economic prosperity in 2011, and then, by means of a ‘flash-back’, displayed some poor economic figures from the DPP era. This was intended to urge voters not to let everything go back to the starting point (別讓一切退回原點). Next came a ‘fast forward’ to positive economic statistics, including the 10.72 per cent growth rate in 2010 and the 65 per cent increase in tourists coming to Taiwan. The advertisement did not specifically refer to tourists from China, and tourist numbers have increased from a range of other tourist-issuing markets.³⁷ However, any viewer that has recently been through a Taiwanese airport, to one of Taiwan’s tourist hotspots or to one of the large hotels will be aware that the fastest-growing source of new tourists is China. Another of the comparative style advertisements accused the previous DPP government of locking up the nation’s economy, which was visualized in the form of a *Gulliver’s Travels*-style giant tied down by hundreds of tiny ropes. The advertisement shows that, under the KMT, these ropes are broken by policies such as the ECFA and the expansion of visa-free travel.

1 Finally, Ma and his running mate Wu Den-Yih (吳敦義) call on the Taiwanese
2 giants that created the Taiwan miracle to stand up again for the next ten golden
3 years. This advertisement again reflects the KMT message used in both 2008
4 and 2012 that, under their management, Taiwan will profit from international
5 space, harmonious cross-Strait relations and strong economic growth.

6 Although Taiwanese businesses in China had already begun to issue pro-
7 KMT advertisements in earlier post-2000 elections, the scale of such advertise-
8 ments was unprecedented in 2012. This element of the China impact on
9 Taiwan's electoral politics and, in particular, the debate on cross-Strait links was
10 visible in both Taishang-sponsored advertisements and the ways in which key
11 business leaders with operations in China publicly announced their support for
12 Ma and his China policies.³⁸ The KMT tended to leave its attacks against the
13 cross-Strait policies of the DPP presidential candidate, Tsai, to such sponsored
14 newspaper advertisements. For instance, an advertisement carrying the slogan
15 'supporting Ma' (挺馬) was sponsored by the Mainland Taishang Ma Wu Cam-
16 paign Support Association (大陸台商馬吳競選後援總會).³⁹ This advertisement
17 first outlined the benefits for Taiwan under Ma's continued presidency. These
18 included (1) how Taiwan would benefit from stable cross-Strait relations under
19 the 1992 Consensus and Ma's 'three nos';⁴⁰ (2) how, under Ma, commercial
20 opportunities for Taiwanese business had rapidly expanded, emphasizing the
21 benefits of cross-Strait agreements such as the ECFA and proposed investor pro-
22 tection agreement for Taiwanese business; (3) Taiwan's expanded international
23 space under Ma; and (4) how cross-Strait cooperation would be the best way for
24 Taiwan to avoid being dragged into the effects of the European debt crisis. The
25 advertisement then continued with a list of what its sponsors believed would
26 happen if Tsai were to win. First, it was argued that, without the 1992 Consensus
27 and by supporting one country on each side (一邊一國), the mainland would not
28 have contacts with a DPP government. This would reduce Chinese tourist groups
29 and Taiwanese exports to China, which would have a damaging impact on Tai-
30 wan's economy. It also claimed that this would prevent further SEF-ARATS
31 talks and create obstacles for the implementation of the existing 16 cross-Strait
32 agreements. This would severely damage the interests of Taiwanese people. A
33 further argument was that Taiwan would have reduced international space.
34 Lastly, the advertisement stated that a Tsai government with limited government
35 experience and lacking support in the huge Chinese market would lead Taiwan
36 into recession, which would result in reduced household income, a stock market
37 crash and increased unemployment. This was just one of a large number of sup-
38 posedly Taishang-sponsored advertisements in support of Ma, his contribution
39 to improving cross-Strait relations and the associated economic benefits.

40 In 2012, the DPP aimed to portray itself as both more moderate and more
41 pragmatic on China than had been the case under Chen Shui-Bian. In contrast to
42 the 2009–2010 period, the DPP was no longer openly opposing the ECFA.
43 However, its advertisements largely avoided the topic of China. In fact, apart
44 from the call for a nuclear-free Taiwan and the slogan of 'Fairness, Justice,
45 Change, Taiwan' (公平, 正義, 改變, 台灣), the DPP advertisements were

generally very vague on policy. Tsai's candidate image and attacks on Ma's government performance were the main themes of most of the advertisements. Considering this vagueness, it is actually surprising how little the KMT attacked Tsai's cross-Strait policies in its advertisements. In one KMT TV advertisement, the former health minister Yang Zhi-Liang (楊志良) comments that 'I really have not heard or seen what her [Tsai's] actual policies are'. While the analysis of the advertisements seems to confirm this, the same could also be said about Ma's plans regarding China for his second term. In 2008, the KMT had offered a clear vision on what it hoped to do about China, but this changed in 2012, when the KMT seemed to prefer to concentrate on contrasting its record in power with the alleged failures of the DPP era. However, one lesson that can be drawn from the 2012 campaign is that if the DPP wishes to return to national office, it will need to convince a wider voter constituency, including the Taishang, that it has the ability to develop a workable set of policies to handle cross-Strait economic relations.

The 2008 and 2012 election defeats have left the DPP facing a severe dilemma over how to deal with economic ties with China. It has tended to fiercely oppose the economic agreements introduced by the Ma administration in parliament, but once passed and put into operation, it has not called for them to be repealed. As the former DPP legislator Julian Kuo (郭正亮) notes with regard to the new services industry agreement with China, 'the DPP is very likely to slip once again into the negative cycle of saying a big "no" to the agreement before it is signed, but agreeing to abide by it once it is in force'.⁴¹ The dilemma the party faces is that it is struggling to reach an acceptable balance on China policy between its two core component groups. In other words, the challenge is quite similar to the situation discussed earlier during its 1998 China policy debate. As Kuo again notes, 'One group firmly believes that Taiwanese independence should be placed above all else, while the other group feels that gaining political power should be the top priority'.⁴² Whether the party is able to develop a workable China policy will depend on the latter group winning the inner party debate.

Conclusions

This study represents a preliminary attempt to examine the China impact on Taiwan's electoral politics. The way this was operationalized was to examine how, in an era of growing economic integration with China, Taiwan's parties have debated economic ties with China. This was achieved by tracking down how Taiwan's major parties have dealt with questions related to Taiwan's economic relations with China in their election political communications. The parties moved from largely ignoring the issue to gradually giving it greater attention by the turn of the century. In the last two presidential elections, it has become one of the most salient issues in Taiwan's electoral politics. The patterns that have been revealed offer a new angle on the story of party and party system change in Taiwan. While the NP and TSU have been quite consistent in their treatment of

1 the issue, the KMT and DPP positions have fluctuated over time. However, it
2 would appear that after the partisan divergence on the issue during the late DPP
3 era through to the ECFA debate in 2010, a trend towards partisan convergence
4 had developed by 2012, as the DPP no longer seemed to oppose the cross-Strait
5 agreements from Ma's first term. In many respects, it appears that although the
6 NP has ceased to be an electorally viable party, many of the cross-Strait eco-
7 nomic proposals put forward during the 1990s have finally become implemented
8 government policy under Ma. A NP politician would probably feel vindicated
9 after reading this chapter.

10 This study has also shown that cross-Strait policy-making can no longer be
11 insulated from public opinion. In the 1990s, Lee imposed the 'go south' and 'go
12 slow, be patient' policies without any real democratic debate. However, since
13 2000, Taiwan's parties have actually increasingly offered voters clearer policy
14 options in their political communications on cross-Strait economic relations. In
15 2008, the parties presented voters with a genuine debate on how they would
16 handle cross-Strait economic issues; four years later, the KMT asked voters to
17 judge the party on its cross-Strait record. As has been the case with the *tong du*
18 spectrum, public opinion places severe constraints on how parties deal with
19 cross-Strait economic relations. Greater economic integration has placed polit-
20 ical parties under pressure to develop viable economic policies to allow Taiwan
21 to take advantage of the China market. On the other hand, public opinion is not
22 prepared to tolerate the complete liberalization of economic relations. On the
23 issue of economic ties with China, Taiwan's parties have proved to be adaptable
24 in responding to their political environment. They have been responsive to per-
25 ceived pressures of public opinion, election results and the changing inter-
26 national context. From the ways in which the KMT and the DPP handle
27 cross-Strait economic issues, we can see how both parties have attempted to
28 implement the lessons learned from their electoral successes and defeats. In the
29 light of the Sunflower movement of 2014, it is likely that the issue of cross-Strait
30 economic ties will be high on the agenda in the next rounds of election cam-
31 paigns. It is, however, unclear how the main political parties will respond to the
32 growing reservations within society over the potential risks of increased eco-
33 nomic integration with China. In contrast, political parties face pressures from
34 China and big business to accelerate integration. Such conflicting pressures will
35 pose a severe challenge to Taiwan's political system for the foreseeable future.

Notes

- 1 Chinese tourist groups and short-term student visits did begin in the DPP era but were not yet significant in economic terms.
- 2 The trends seen on cross-Strait policy show significant parallels to those seen in the design of welfare systems. For discussion of this issue, see Wong (2004).
- 3 The viewing figures for Taiwan's presidential debates are actually quite impressive: for instance, 35 per cent of respondents stated that they watched the second 2012 presidential debate. See www1.tvbs.com.tw/tvbs2011/pch/tvbs_poll_center.aspx (accessed 13 June 2013).

- 4 Carmines and Stimson (1990). 1
- 5 For instance, see Fell (2005). 2
- 6 On this topic, see Tan and Clark (2012). 3
- 7 Grugel (2002: 36). His other core criteria are ‘effective states that act to protect and deepen democratic rights and count on a strong participatory and critical civil society’. 4
- 8 I should point out here that although I have examined a very extensive range of advertisements over the last 20 years, there are some gaps in my dataset and, for this chapter, I was not able to examine every single advertisement since 1991. 5
- 9 See Fell (2005: Chapter 6). 6
- 10 See DPP advertisement (1991). 7
- 11 See KMT advertisement (1991). 8
- 12 See KMT advertisement (1995). 9
- 13 See *Liberty Times*, 23 November 1991, 4. 10
- 14 See *Liberty Times*, 9 December 1991, 4. 11
- 15 See Digital Archives Taiwan (n.d.). 12
- 16 The KMT, for the most part, stopped mentioning the National Unification Guidelines and the DPP ceased campaigning on the Republic of Taiwan. The exception to this pattern was, of course, the DPP’s presidential candidate, Peng Ming-Min, who made calls for Taiwanese independence that were similar to the DPP’s position in 1991. 13
- 17 See Zhao (1999). 14
- 18 *United Daily News*, 18 November 1995, 32. The term ‘beef’ here is borrowed from American campaign language and refers to the idea that there is substance in a party’s proposals. 15
- 19 *China Times*, 4 March 1996, 28. 16
- 20 See *United Daily News*, 24 February 1996, 1. 17
- 21 See Fell (2005: 102–108). 18
- 22 *United Daily News*, 15 November 1997, 13. The term ‘three links’ refers to direct postal, transportation and trade links between China and Taiwan. 19
- 23 See KMT advertisement (1998). 20
- 24 For instance, see the 1998 Guaranteeing Taiwan’s Security TV advertisement (*baozhang Taiwan anquan pian*). 21
- 25 KMT advertisement (2000). 22
- 26 See *Taipei Times* (2001). 23
- 27 For more on the NP’s shift towards extremism, see Fell (2006). 24
- 28 This is a variation on Bill Clinton’s 1992 slogan, ‘It’s the economy, stupid’. 25
- 29 This was the NP’s variation on China’s proposal for unification under the ‘One Country, Two Systems’ model that has been used for Hong Kong and Macau. According to the NP, a third system is required for Taiwan due to the fact it clearly differs from the former European colonies. 26
- 30 *Liberty Times*, 1 March 2004, 11. 27
- 31 See Fell (2011). 28
- 32 Huang (2012). 29
- 33 For example, significant numbers of Chinese tourist cross-Strait charter flights began under the DPP. 30
- 34 Loa and Chao (2010). 31
- 35 Hsu (2010). 32
- 36 It could also be questioned whether the DPP really supported a referendum on the fourth nuclear power station back in 2000–2001. 33
- 37 The numbers of tourists from Japan and South East Asia have continued to increase, but China has replaced Japan as the top source of Taiwan’s inbound tourists. See Tourist Bureau data, http://admin.taiwan.net.tw/statistics/year_en.aspx?no=15 (accessed 13 June 2013). 34
- 38 For instance, the founder of the Evergreen Group, Chang Jung-Fa, publicly announced his support for the 1992 Consensus during the campaign. 35

- 1 39 KMT support advertisement (2011).
 2 40 Ma's 'three nos': a reference to his inaugural address pledge of no unification, no
 3 independence, and no use of force against China.
 4 41 Kuo (2013a).
 5 42 Kuo (2013b).

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