

The Kuomintang returns to power in Taiwan

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The landslide victory of Ma Ying-jeou, the candidate of Kuomintang (KMT), in last Saturday's presidential election marks the return to power of the party that ruled the island for decades as a dictatorship. After eight years in office, the Democratic Progressive Party (DPP), which promoted itself as the democratic opposition to the KMT, was unceremoniously thrown out of office. Ma will be formally inaugurated as President of the Republic of China, Taiwan's official title, on May 20.

Ma won the election with more than 7.6 million votes—nearly 17 percent or 2.2 million more votes than his DPP rival Frank Hsieh. The margin was far wider than in the 2004 presidential election when the outgoing DPP president, Chen Shui-bian, narrowly won a second term by just 0.2 percent or 20,000 votes over the KMT candidate. Hsieh resigned as DPP chairman after the defeat. Two contentious referendums over Taiwan's membership of the UN failed to achieve the required 50 percent turnout.

The central issue in the election campaign was Taiwan's relations with China. The island is not regarded as a separate nation by the UN or the vast majority of countries, which formally adhere to a "One China" policy that recognises Beijing's claims to Taiwan. The DPP, which is based on Taiwanese separatism, made gestures toward independence during its campaign. The KMT advocated closer economic and political ties with mainland China.

Ma's platform of creating a "common market" with China was welcomed by powerful sections of business. The stock market in Taipei celebrated Ma's victory by rising nearly 4 percent on Monday. The New Taiwanese dollar rose to 10-year highs against the US dollar. The financial markets were buoyed by the prospect of lucrative new investment in China and a flow of Chinese money into Taiwan's stagnant property markets. A flood of Chinese tourists is expected to visit Taiwan as travel arrangements are eased.

For ordinary voters, the picture was different. The huge swing against the DPP demonstrated the depth of hostility among working people to a party that many had once seen as a genuine alternative to the KMT's corrupt and repressive rule. Having won power in 2000, Chen implemented economic restructuring measures that deepened social inequality, produced rising unemployment for young people and undermined essential social services.

As opposition to the DPP grew, Chen sought to whip up Taiwanese nationalism, by threatening to declare formal independence from China and seeking to pit native Taiwanese against "mainlanders". However, these appeals to nationalist sentiment produced a backlash among a layer of Taiwanese-born voters, fed up with the DPP's divisive politics and the threat of

war with China. Significantly, Ma will be the first elected president to have been born outside Taiwan.

The extent of the win even surprised the KMT, which anticipated a margin of around a million votes. The KMT feared that China's recent violent crackdowns against Tibetan protestors would undermine support for closer ties with Beijing. Ma's victory was quietly welcomed by the Beijing leadership, which has been watching the Taiwanese election anxiously.

China regards the island as a renegade province that broke away after the 1949 revolution, when the KMT lost power on the mainland to the Chinese Communist Party (CCP). Beijing has threatened to forcefully reunify Taiwan if the island's government declares formal independence from China. Over the past eight years, Beijing has had to deal with a DPP government that has fuelled tensions by frequently pushing for some form of Taiwanese independence.

Ma, on the other hand, has called for a peace treaty with China to end decades of military hostility, and an economic agreement to lift restrictions on direct transportation links and on investment and trade between the two sides. Although the KMT has ruled out talks on unification with China for foreseeable future, it has consistently opposed any declaration of independence by Taiwan.

The CCP and KMT were bitter enemies during and after the Chinese revolution. Even after it had fled to Taiwan, the KMT regarded itself as the legitimate government of all China, engaged in an ongoing war against the "communist bandits" who had broken from the "Republic of China". In Taiwan, the KMT ruled through a regime of "white terror" that ruthlessly suppressed any political opposition.

KMT leader Chiang Kai-shek was a useful pawn for Washington, which abandoned him in 1971 as part of its rapprochement with China. Taiwan lost its international recognition and its seat in the UN Security Council, but retained a US guarantee to defend the island against any Chinese attack.

The push for Taiwanese independence is associated with the emergence of Taiwan as a cheap labour platform in the 1970s and 1980s—one of the "Asian tigers". Frustrated by the lack of international recognition, sections of Taiwanese business supported the establishment of an independent state.

Ma is part of a younger KMT generation that has few connections to the party's pre-1949 rule in China. Born in 1950 in Hong Kong, he moved to Taiwan and then studied law in the US. His parents were mid-level KMT functionaries and Ma became the English translator in 1981 for Taiwanese President Chiang Ching-kuo—the son of Chiang Kai-shek.

Growing social unrest forced Chiang Ching-kuo to lift martial

law in 1987 and carry out a limited process of “democratisation”. The DPP, which had emerged in the 1980s from the pro-democracy movement and the popular struggles against the KMT dictatorship, was legalised. Its promotion of Taiwanese “identity” became a useful tool for dividing the rapidly growing working class—“mainlanders” versus “locals”.

At the age of 38, Ma entered the KMT cabinet as its youngest-ever minister. He occupied various posts, including deputy of the Mainland Affairs Council, which manages relations with China. At the height of the push for Taiwanese independence, the DPP formally adopted a program in 1991 that called for the establishment of a “Republic of Taiwan”. Within the KMT, President Lee Teng-hui promoted a similar perspective.

The Hong Kong-born Ma was never a proponent of Taiwanese independence. Appointed by Lee as justice minister in 1993, he earned a reputation as a fighter against “black gold”—the KMT’s notorious corruption that included extensive vote buying, collusion with gangsters and milking of state funds. Ma became embroiled in a series of scandals as his political enemies hit back. He resigned in 1997 and went to teach law at university.

The period was marked by bitter divisions inside the KMT over relations with China. Lee’s pro-independence stance was opposed by a section of the KMT old guard, which eventually broke from the party and formed the Chinese New Party. Similar splits also took place within the DPP. The major factor behind the political turmoil was the rise of China in the 1990s as the world’s largest low-cost manufacturing platform, attracting a flood of capital, including from Taiwan.

Ma returned to politics by defeating Chen Shui-bian for mayor of Taipei in 1998. Two years later, however, Chen won the post of president, ousting the KMT from the executive arm of government for the first time in half a century. A key element in the KMT’s defeat was the candidacy of James Soong, who split from the KMT and advocated closer ties with Beijing. He attracted significant votes from the KMT.

Following the defeat, the KMT expelled Lee and his faction and adopted a more conciliatory approach to China. In 2005, Lien Chan became the first KMT leader since 1949 to visit China and called for an alliance with the CCP to oppose the DPP and other pro-independence groups. Later that year, Ma took over Lien’s post as head of the KMT.

Ma’s installation was part of the KMT’s efforts to fashion a new image and distance itself from its corrupt, autocratic past. KMT propaganda has promoted Ma as a young, good-looking family man with a record as a clean politician, different from the old-style KMT men.

An important factor in Ma’s victory was his promises of improved living standards through the establishment of a common market with China. Closer relations with China will benefit sections of business, but unemployment and social inequality will continue to grow. While Ma has pledged to prevent an influx of Chinese workers, many Taiwanese factories have already relocated to the mainland. Like Chen, he has no control over rising international inflation or the impact on exports of the rising US dollar and economic downturn.

Attempts by the DPP to play the ethnic card fell flat. In the

course of the campaign, DPP candidate Hsieh branded Ma as part of the “mainland elite” and described Taiwanese married to mainland Chinese as “pigs”. These backward appeals were aimed at encouraging fears that a KMT victory would see the return of policies discriminating against local language dialects and people.

The division between “locals” and “mainlanders” is largely artificial, however. More than 98 percent of the Taiwanese population is Han Chinese, including the 13 percent that came to Taiwan after 1949. Although the DPP’s communalism has significant support among rural communities in southern Taiwan, most urban Taiwanese—locals and mainlanders—have been living and working together for decades. The outgoing DPP vice president Annette Lu admitted that half of Ma’s 7.6 million votes came from “local” Taiwanese.

The DPP’s own policy was a watered-down version of Chen’s pro-independence stance, which has come under increasing criticism as a “bird cage” preventing the economic integration of Taiwan with China—Asia’s growth engine. Major Taiwanese corporations have established huge operations in China despite a cap of 40 percent of total capital on investments in China. A quarter of Taiwanese exports go to China, but via third parties such as Hong Kong, as direct trade is still barred. Ma was particularly critical of Chen’s refusal to sign free trade deals with US, Japan and Singapore, simply because the World Trade Organisation (WTO) relegated Taiwan to second-class status as a “Separate Customs Territory”. All these obstacles contributed to Taiwan falling behind other “Asian tigers” over the past eight years.

The DPP has always looked to Washington to support Taiwanese independence. However, while deeply concerned about the rise of China as a potential rival to the US, the Bush administration is preoccupied with shoring up its occupation of Afghanistan and Iraq and has shown no recent signs of wanting to exploit Taiwan as a means of heightening tensions with China. In fact, Washington warned Chen several times about destabilising the region through his pro-independence statements.

Bush immediately congratulated Ma on his victory, saying it provided “a fresh opportunity” for China and Taiwan to resolve “their differences”. For his part, Ma has indicated that he will visit the US and Japan before his inauguration on May 20 to make clear to Taiwan’s main allies that he is not a proxy for Beijing and to strengthen his position in any negotiations with China.



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