

Taiwan's ruling party mired in political crisis

John Chan
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Taiwan's ruling Kuomintang (KMT) is in considerable political crisis after President Ma Ying-jeou last month expelled parliamentary speaker Wang Jing-ping from the party, ostensibly over his alleged abuse of his political influence.

On June 18, Ker Chien-ming, caucus whip of the opposition Democratic Progressive Party (DPP), was acquitted of embezzlement charges stemming from a case that began in 1997. Supposedly, Ker requested that Wang put pressure on Justice Minister Tseng Yung-fu to not file an appeal against the ruling.

President Ma allegedly ordered the Special Investigative Division (SID) to wiretap Wang's communications in an attempt to obtain evidence for obstruction of justice charges against Wang as a means of undermining the legislator.

Ma then expelled Wang from the KMT. Wang filed an appeal with the judiciary, which temporarily blocked the expulsion. The standoff contains seeds of a constitutional crisis: the executive branch of government is attempting to expel the head of the legislature, but is being prevented from doing so by the judiciary.

The expulsion of a political rival, together with the use of secret wiretapping, have further undermined Ma's popularity, which is currently hovering just at above 10 percent. So sharp is the KMT's political crisis that the party postponed its 19th national congress scheduled for September 29. Clearly, the KMT executive feared the eruption of a bitter debate and a potential split in the ruling party.

Underlying this political infighting is Taiwan's deteriorating economy and differences inside the KMT over the Cross-Strait Services Trade Agreement (CSSTA) signed with China by the Ma administration on June 21.

The opposition Democratic Progressive Party (DPP) strongly opposed ratification of the trade deal by the

legislature. To break the impasse, Wang postponed the ratification vote until November and called for a public debate—a decision that angered Ma.

The CSSTA is an extension of the Economic Cooperation Framework Agreement (ECFA) signed with China in 2010. The ECFA was aimed at expanding Taiwan's trade, not only with China, but also with South East Asian countries via China's Free Trade Agreement with the Association of South East Asian Nations (ASEAN). The CSSTA will extend the current agreement to cover a range of services.

Beijing continues to view Taiwan as a renegade province that broke away after the Chinese Revolution in 1949, when the remnants of the ousted KMT regime fled to Taiwan. China regards Taiwan as an integral part of its territory and has threatened to forcibly seize the island if Taipei were to formally declare independence.

As a result, Taiwan lacks formal recognition by most countries, which have established diplomatic relations with Beijing on the basis of its "One China" policy—that is, de facto recognition that Taiwan is part of China. Sharp divisions exist within the Taiwanese ruling elites over how to end this standoff. While sections of the KMT are pushing for closer integration with China, the DPP has cautiously pressed for a more independent Taiwan.

The DPP has campaigned against the new trade services agreement by feeding fears about the potential loss of jobs and the impact on small businesses. It claims that enterprises from hair dressing to neighbourhood stores will face an existential threat as Chinese tycoons "buy up" Taiwan and import cheap labour to replace Taiwanese locals.

The DPP held power in the 2000s when the rapid growth of trade with China benefitted major Taiwanese corporations. It has opposed the CSSTA, not out of concern for workers and small businesses, but because

it views the agreement as a step toward negotiations with Beijing over political issues that could ultimately lead to political union with China.

The DPP's advocacy of formal independence for Taiwan reflects the needs of the Taiwanese elite for an internationally recognised state to protect their global business interests. Wang represents similar tendencies within the KMT. Ma, on the other hand, speaks for Taiwanese corporations that have invested heavily in China to take advantage of its cheaper labour.

Ma's attempt to remove Wang is a sign that the period of political stability since Ma came to office in 2008 is coming to an end. Wang, who had the strong support of both the KMT and DPP for two decades, has been instrumental in regulating the often tense confrontation between the two parties in Taiwan's legislature.

Wang has been politically close to the pro-independence wing of the KMT since the 1990s, especially to former President Lee Tung-hui. A decade ago, Wang publicly declared that formal independence could be a "future option" for Taiwan. Because of Wang's pro-independence sympathies, he remained as speaker even under the DPP administration from 2000 to 2008. Wang's loss in the 2005 KMT leadership contest to Ma marked a shift by the KMT toward closer economic ties with China.

However, the ECFA pact did not bring the economic boost anticipated, due to the deepening global economic crisis. Major manufacturing corporations like Foxconn have long used China as a cheap labour platform, but their export markets in the West are mired in slump. Taiwan's projected growth this year is just 2.3 percent, far below the rapid expansion of the past when the island was dubbed an "Asian tiger."

Moreover, Taiwan is falling behind its main competitor, South Korea, which has signed free trade agreements (FTAs) with the US and the European Union. Taipei is unable to sign its own FTAs, as Taiwan is not recognised as an independent state. Ma has expressed the hope that Taiwan could join the US-led Trans-Pacific Partnership (TPP)—a trade bloc aimed at undermining China's economic influence—but that is far from certain.

China is putting pressure on Taiwan to start discussing political issues. At the Asia-Pacific Economic Cooperation summit in Bali last week,

President Xi Jinping suggested to Taiwan's envoy that a resolution of Taiwan's status was necessary, as political problems could not be handed down from "generation to generation."

The tensions in ruling Taiwanese circles are compounded by US President Obama's "pivot to Asia"—a diplomatic, economic and military strategy aimed at undercutting China's influence throughout Asia. The US formally recognised Beijing as the legitimate government of all China, including Taiwan, in 1972, but has continued to sell arms to Taiwan and oppose the forcible unification of Taiwan with China. The Obama administration, in particular, has provocatively sold billions of dollars of advanced weapon systems to Taipei in recent years to maintain Taiwan as a de facto US military partner, strategically positioned near the Chinese mainland.

The standoff inside the KMT eased temporarily after President Ma dropped an appeal against the court decision to retain Wang as speaker. However, the crisis is far from over, with analysts warning that infighting could erupt again at the KMT congress, now due next month.



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