In a surprising turn of events, Taiwanese President Ma Ying-jeou of the ruling Kuomintang (KMT) met with Chinese President and Chinese Communist Party (CCP) Chairman Xi Jinping in the first such meeting between the leaders of the two states since the Chinese Civil War ended in 1949.

The meeting took place on Saturday, November 7, and was hosted by Lee Hsien Loong, Prime Minister of Singapore. Despite the presence of government officials, the meeting between Ma and Xi was not officially a meeting between the two presidents of their respective countries. Beijing was willing to refer to the occasion as a meeting between leaders of the two sides of the Taiwan Strait but would concede no further ground on the issue.

The meeting produced no tangible results, excepting vague discussions regarding Taiwan's participation in recent Chinese initiatives (OBOR, AIIB) under an appropriate title, the establishment of a possible hotline between China and Taiwan, and Ma's diversion from his party's understanding of the 1992 Consensus.
WHY NOW?

Ma Ying-jeou has been trying to meet with Xi for a long time. However, Ma’s failure to push the Cross-Strait Service and Trade Agreement (CSSTA) through Taiwan’s legislature following its completion in June 2013 had been considered fatal for any Ma-Xi meeting. So why did Xi ultimately agree to meet with Ma?

» **Looming KMT Election Defeat**: Taiwan is in the midst of presidential and parliamentary elections scheduled to take place on January 16, 2016, and Ma’s KMT is facing an unprecedented defeat. The KMT’s presidential candidate and chairman, Eric Chu, is trailing opposition Democratic Progressive Party (DPP) frontrunner Tsai Ing-wen by a wide margin of more than 20 percent.

» **Desperate KMT**: However, the looming disaster does not quite end there for the KMT. It is also facing the possibility that the DPP will – for the first time – gain a majority in Taiwan’s legislature, the Legislative Yuan (LY). It was this dim prospect that prompted the KMT to call an extraordinary Party Congress last October, where it replaced then–presidential candidate Hung Hsiu-chu with Chairman Eric Chu. Hung’s policies favoring Taiwan’s unification with China were seen as damaging the KMT’s prospects of retaining its majority in the legislature.

» **Closing Window of Opportunity for Beijing**: Beijing sees the DPP with great suspicion because it advocates Taiwanese independence. Thus, a DPP victory in both elections would create a completely new situation for Beijing. When the DPP held the presidency between 2000 and 2008, the nominally pro-unification KMT still had a majority in the LY. Should the KMT lose both the presidency and the LY, China’s options vis-à-vis Taiwan will be severely limited to mostly punitive actions. As a result, the KMT is the clearly preferable option for Beijing.

CHINA’S INTERESTS

Beijing is slowly realizing that its Taiwan policy – which is reliant on economic incentives – has been a failure. Facing the prospect of a strong DPP government, Xi may feel compelled to make a last-minute move in order to improve the KMT’s standing or at least further limit the DPP’s space to govern.

» **Boosting KMT’s Prospects**: Beijing likely seeks to boost the KMT’s effort to keep its legislative majority and reinforce its image as the one party in Taiwan that knows how to manage relations with Beijing.

» **Imposing Limits on the DPP**: A DPP presidency and legislative majority is the worst-case – yet increasingly likely – scenario for China. Thus, it is key to watch closely the rhetoric following the Ma-Xi meeting. Beijing may seek to come up with a more imposing “2015 Consensus” in order to push the next Taiwanese government into a corner.

» Beijing and pro-unification elements in Taiwan will use the meeting to emphasize the “Divided China” narrative.

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TAIWAN’S INTERESTS

There is no unitary Taiwanese interest in this meeting. Three actors with divergent trajectories can be identified on Taiwan’s side.

» Ma’s Drive for Personal Legacy: Ma has been striving to leave office with a permanent legacy with respect to cross-strait relations. His vision for relations with China was rewarded by the landmark ECFA agreement in 2010 and recognition abroad. However, his second term was nothing short of a disaster, with his approval rating plummeting to single digits. This meeting was Ma’s last chance to improve his record. During the meeting, Ma emphasized the so-called “1992 Consensus” which has been a cornerstone of his China policy. However, he only mentioned the “One China” principle part of the Consensus without stressing the “different interpretations” part – an “agree to disagree” formula that helped the KMT claim that the “One China” of which Taiwan is a part is the Republic of China (on Taiwan) and not the People’s Republic of China.

» Dilemma for the KMT: The KMT, which on paper is still committed to the unification of Taiwan with China, but in reality promoting the current status quo, will not openly challenge Ma’s meeting or the outcome. However, this does not mean that the meeting is good for the party. The failure of Ma’s presidency has less to do with dismal economic performance in recent years and more a matter of the secretive nature of cross-strait negotiations. The Ma-Xi meeting and how it came about is emblematic of exactly that. Moreover, it will be challenging for the KMT to refute an interpretation of the meeting as one where the CCP was weighing in on Taiwan’s election on its behalf. Ma’s omission of “different interpretations” will be also problematic for the KMT as it is a position closer to that promoted by disgraced former presidential candidate Hung Hsiu-chu.

» DPP’s China Policy: The challenge for the DPP is that the meeting puts cross-strait relations into the electoral spotlight. Despite the DPP’s formal stance regarding Taiwanese independence, Tsai Ing-wen is promoting a status quo policy similar to that of the KMT (minus the “1992 Consensus”). However, given China’s opposition to the very idea of DPP rule, the burden of proving the feasibility of its China policy has traditionally been on the party itself. In this sense, the Ma-Xi meeting may present a new set of problems for the party.
BEIJING’S REFOCUS ON TAIWAN WILL LEAD TO A RISE IN CROSS-STRAIT TENSIONS

Despite the historic nature of the meeting, the implications are not likely to be significant for the immediate future. Ma Ying-jeou is considered to be a lame duck president, and the next administration in Taiwan will not feel obliged to follow up on vague outcomes of the Singapore meeting.

However, over the longer term, the Ma-Xi meeting may be used by Beijing to steer its Taiwan policy in a favorable direction.

» **Confrontation:** If all attempts to salvage the KMT’s election chances fail, China may feel compelled to increase pressure on the future DPP government and use the Ma-Xi meeting as a tool. Beijing would then attempt to put the blame for any potential instability on the DPP for not following up on what it would argue had been a constructive meeting. That would largely echo developments between 2000 and 2008, when the DPP held the presidency for two consecutive terms.

» **Cold Peace:** Irrespective of the legislative race, the presidential election will likely result in the DPP’s return to executive power. Beijing may opt to exercise caution while seeking ways to secure the KMT’s own subsequent return to power. Under this scenario, Beijing would be vocal about the DPP not accepting the “1992 Consensus” and the meeting’s results. However, it would not opt for more aggressive measures. This scenario would be unprecedented and would suggest a major re-evaluation of China’s Taiwan policy.
**BOTTOM LINE**

The Ma-Xi meeting was not a sign of positive developments in cross-strait relations (as both parties would like you to believe). Instead, the meeting was Beijing’s last-minute effort to influence the outcome of Taiwan’s January elections which look to be going badly for the KMT – the current ruling party and Beijing’s preferable partner in Taiwan. The meeting is also an attempt to impose a favorable narrative surrounding cross-strait relations on the likely winner, the DPP. Beijing’s likely failure may signal future tensions across the Taiwan Strait.

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ATTRIBUTIONS

[cover, page 1] This work, “banner”, is a derivative of “Secretary of Defense Leon E. Panetta poses for a photo with Chinese Vice President Xi Jinping prior to a meeting in Beijing China, Sept. 19, 2012. Panetta visited Tokyo, Japan before continuing to Beijing and traveling to Auckland, New Zealand on a week long trip to the Pacific.” by Erin A. Kirk-Cuomo, licensed under the Creative Commons Attribution 2.0 Generic license; and “Ma Ying-jeou is the 12th and 13th President of the Republic of China (Taiwan)” by jamiweb, licensed under the Creative Commons Attribution 2.0 Generic license.

[page 3] “Ma Ying-jeou at UC Berkeley” by Jiang, released into the public domain.

[page 3] “Chinese navy ships visit Hawaii 130906-N-PJ759-003.” by Petty Officer 1st Class Cynthia Clark, released into the public domain.

[page 5] “Ma Ying-jeou (left) and Xi Jinping (right) met in Singapore and shook hands on 7 November 2015.” by Voice of America, released into the public domain.