Japan-Taiwan Relations in the New DPP Era

BY YASUHIRO MATSUDA

Tsai Ing-wen, the presidential candidate from Taiwan’s largest opposition party, the pro-independence Democratic Progressive Party (DPP), won a landslide victory in the presidential election held on January 16, 2016. She won almost 6.9 million votes, while the anti-independence Kuomintang (KMT) candidate Eric Chu received only 3.8 million, and People’s First Party candidate James Soong received 1.5 million. The DPP also won 68 out of 113 seats in the Legislative Yuan (LY), securing an absolute majority, enabling the DPP to pass legislation and annual budgets favoring its own policy agenda. The DPP’s victory also has implications for Japan’s relations with both Taipei and with Beijing.

Taiwan, under the Ma Ying-jeou administration for seven years and eight months, experienced unprecedented improvement in its relations with Mainland China. Beijing and Taipei have signed twenty-three agreements, including the Economic Cooperation Framework Agreement (ECFA), to dramatically boost cross-Straits cooperation and exchanges. A summit meeting in Singapore was held between President Xi Jinping and President Ma Ying-jeou in November 2015. Cross-Straits relations have been stable and far from crisis. The business environment has been well institutionalized. Some Japanese firms began to establish corporate alliances with Taiwanese companies, and jointly invested in China. In terms of stability and economic interests, the Ma administration’s policies were not bad at all for Japan.

The Ma administration, however, partially shares the notion of “one China.” Its pace and speed of tilting toward China was extremely fast, thus contributing to the regional power balance becoming more favorable to China. For example, some moves of the Ma administration during the Senkaku/Diaoyu crisis and some political topics related to historical issues gave Japanese the impression that it took a position much closer to China compared to the previous two administrations. Japanese who were more concerned with the regional power balance, rather than economic interests, have been worried about Ma’s Mainland policy, which connected Taiwan and the Mainland more closely than before.

Madam Tsai Ing-wen and the DPP’s victory means that Taiwan’s tilt toward Beijing is likely to slow down or even reverse, as the party has been extremely cautious regarding Mainland China. Because China strongly opposes the DPP’s pro-independence political stance, Beijing may even take economic measures as leverage to pressure Taipei. The new DPP administration could trigger uncertain negative reactions from Beijing after Tsai Ing-wen’s inauguration on May 20th, 2016. The direct implications of such a possible development for Japan remain unknown, but that uncertainty could cause hesitation among some Japanese investors.

Japan’s official position on its relationship with Taiwan is “unofficial working-level relations based on economic and cultural exchanges.” Japan would not support the independence of Taiwan. However, China has doubted Japan’s motivation to improve their bilateral relations, sometimes with the criticism of “secretly supporting the
"Japan should seek to strengthen economic ties with Taiwan, since focusing on trade can avoid destabilizing political relations with Beijing at the same time."

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