

**Taiwan's Ma Loses the Reins**  
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**By Jens Kastner**

*Controversial reforms have him in trouble with party and public*

Taiwanese President Ma Ying-jeou has been pushing for a series of highly controversial reforms he doesn't want to deal with in his second term, which begins May 20.

But the reforms, which include lifting of a ban on food additive-laced US beef, implementation of hefty hikes in fuel prices and power rates, as well as a proposal for a capital gains tax on stocks in such a short time, are causing a rebellion in public approval. With his approval ratings nose-diving and his own Kuomintang in open revolt, observers are advising Ma to consolidate his grip on power.

Ma clearly didn't waste time after his handsome electoral victory in mid-January, in which he won with an 800,000-vote plurality over his main opponent, Tsai Ing-wen of the Democratic Progressive Party (DPP). Hardly four months have since passed, but apart from pushing for Taiwan's opening to the import of US beef containing the lean meat-enhancing drug ractopamine in a bid to get on good terms with Washington, he dropped a four-year freeze in fuel prices, raising them by an average of 10.7 percent, and also announced a plan to raise electricity rates so that they no longer will be the lowest in the whole of Asia. Power rates are to be adjusted in stages from June 10 to eventually rise between 8 percent and 37 percent, affecting some 10 million household users as well as more than 1.2 million commercial and industrial clients. And finally, Minister of Finance Christina Liu came up with a proposal for the capital gains tax that investors in rival regional markets Singapore and Hong Kong don't have to put up with.

The response of all sectors of society to each of Ma's policies could hardly be more unanimous. Despite the absence of concrete scientific evidence proving the toxicity of ractopamine, his government has been getting an earful from pundits, civic groups and opposition lawmakers for placing public health into jeopardy. The discovery of a case of mad cow disease in the US on April 24 didn't help calm things down. Although full-year inflation is not predicted to exceed 2 percent by much, he and Premier Sean Chen are being blasted for indifference to ordinary people's hardship by recklessly igniting price hikes.

That investors are profoundly spooked by uncertainties surrounding the proposed capital gains tax, which is being portrayed by the cabinet as a measure to advance fairness and social justice, has been made evident by a TAIEX plunge of 431 points in April.

With about two years to go until the next noteworthy elections – to be held simultaneously in the island's five most populous and economically developed municipalities, Ma can arguably live with a fair amount of public dissatisfaction. Putting that into numbers, his approval ratings stood at around a dismal 20 percent in early May, according to separate polls by two independent survey institutions.

But what is certain to cause him sleepless nights is his own party's recent behavior. In late April, KMT Central Standing Committee members reportedly expressed dissatisfaction with Ma's apparent strategy of blaming the DPP whenever criticized instead of explaining policies

to the public. A few days later, a resolution initiated by opposition parties, which called for the removal of US beef from shelves, among other drastic measures, only failed to pass because Legislative Speaker Wang Jin-pyng cast a vote, making it the first time ever the KMT from speaker's position, which he has held since 1999.

Although the KMT occupies 64 of the 113 seats, Wang's intervention was needed because 16 KMT lawmakers were absent, defying compulsory mobilization by party whips. Three independent lawmakers who usually vote in line with the KMT didn't show up either.

On May 7 and 8, disobedient lawmakers again defied the cabinet. The ractompamine-related proposal was voted down in committee due to one lawmaker's boycott. The next day, the KMT caucus refused to place the capital gains amendment on the agenda.

Talk of an "anti-Ma" force within the KMT has become prominent in the local media. Claims also persist that Ma, who also functions as KMT chairman, faces pressure from within his party to resign as chairman.

While the administration and a number of KMT lawmakers have since denied the conflict between caucus and cabinet, they acknowledge a "lack of communication." The widely-held notion that embattled Premier Chen would be replaced before Ma's inauguration was belied as Ma reappointed him in a minor Cabinet reshuffle on May 11.

Chen In-Chin, a professor at Taiwan's National Central University's Graduate Institute of Law and Government, told Asia Sentinel that the developments are the logical outcome of a new power structure in Taipei that is defined by what he calls "decentralization of power." This phenomenon was triggered by the outcome of the January elections<sup>0</sup>he says,, in which Ma and KMT lawmakers didn't win as big as in 2008, when the president Ma won by a 2.2 million margin, and KMT lawmakers took more than 70 percent of the legislative seats.

"The election results weakened Ma enough that KMT heavyweights became emboldened to begin fighting for positions of power at his expense," Chen said. "The controversial policies that have been grabbing the headlines come in handy for them."

Highly ambitious KMT politicians, such as Taipei Mayor Hau Lung-bin, New Taipei City Mayor Eric Chu and Taichung Mayor Jason Hu have lost patience with Ma as he has been largely filling ministerial posts with academics as opposed to KMT-groomed talent, Chen said.

"And KMT lawmakers feel they must vote against the cabinet in Taipei in order to pacify their grassroots supporters back home. Although new legislators have begun their terms only very recently [on February 1], they are already under enormous pressure."

The DPP has made public KMT lawmakers' telephone numbers so that the latter have been receiving enraged citizens' calls protesting the energy price hikes and US beef for much of their day, Chen added.

But more than anything, the recent developments show that apart from having overestimated public patience, "Ma has assessed his own power base overly optimistically," Chen said, adding that at this stage, Ma has to be careful to avoid a situation in which KMT heavyweights, caucus or both could dictate who the premier is.

“According to the Constitution, the premier actually is the most important figure in Taiwanese politics. Premier Sean Chen, a loyal technocrat hand-picked by Ma, is occupying this crucial spot. Premier Chen effectively blocks Ma's ambitious inner-party rivals, who all want to use the premiership as a stepping stone.”

Because the premier has full control over government resources, he is in a key position to influence electoral outcomes, thereby having significantly more power than others on sorting out who Ma's successor will be.

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