

**ISLAND GRAPPLING WITH CHALLENGES OVER IDENTITY AND ECONOMY**

# Amid China's rise, Taiwan cannot decide between green and blue

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In the past year, Taiwanese politics have been marked by bureaucratic inertia and confusing political statements on a wide range of socio-political issues.

The ambiguous party platforms and mixed signals by different political players have led to a general sense of uncertainty about Taiwan's future direction at a time when the presidential election is only seven months away, in January next year.

Among the issues more important to the island's political future is mainland China's rise and its position on the post-World War II regional order

established by the West.

This has led to one of the most contentious debates in Taiwanese society today: Whether the island should develop its economy in a way that is less dependent on the mainland, or to integrate closer with the mainland economically.

It is tough to ignore mainland China. Its One Belt, One Road plan to rejuvenate two ancient trade routes and further open up markets in the region, and its ambitious Asian Infrastructure Investment Bank (AIIB) underline Beijing's intention to take on a bigger role in global affairs.

Hence, Taiwan's pan-blue Kuomintang (KMT) government, which is

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mainland-friendly, recently applied to join the AIIB in a bid to also raise its international profile. But this was rejected by Beijing, which regards Taiwan as part of China, over the official name used by the self-ruled island — Republic of China.

The rejection is not surprising given that nomenclature has always been a sensitive issue in relations between China and Taiwan.

Beyond the AIIB hiccup, the KMT argues that many in the opposition Democratic Progressive Party (DPP) — which favours independence for Taiwan — have disregarded the strategic impact of the mainland's rapid development. This is not an inaccurate observation.

The pan-green DPP politicians tend to align their narratives closer with mainstream public opinion, which is currently imbued with a sense of Sino-phobia intertwined with a disinterest in mainland affairs. There is also self-contempt for Taiwan's perceived weaker position in international affairs.

Due to these public sentiments, the Taiwanese political establishment is cautious about cooperation with the mainland.

So KMT pushes for a pragmatic policy in line with global realities, and DPP is half-hearted about pursuing closer ties. Trade pacts with China,

in particular, have been held in abeyance after the Sunflower movement last March, where thousands of protesters occupied the Taiwanese Parliament to block the ratification of a trade agreement with the mainland.

A factor intensifying the negative sentiments towards mainland China within Taiwan is the failed economic restructuring of the Taiwanese economy in the past decade.

As a relatively small economy highly dependent on trade, Taiwan has failed to move from low-skilled and labour-intensive manufacturing industries to those that attract higher value-added investments and research and development funding. Consequently, Taiwanese industries have lost much of their comparative advantage against the mainland's manufacturing sector, which emphasises extensive economic integration with other regional economies.

The sense of economic uncertainty has intensified generational conflicts in Taiwanese society. A younger generation of Taiwanese does not enjoy the same career opportunities, stable employment and competitive salaries as their parents, and has taken up social and political activism to express these frustrations.

## WHAT CAN THE NEXT PRESIDENT DO?

Amid this dilemma of whether to woo or maintain a distance from the mainland, a narrative related to the Taiwanese identity has emerged.

It centres on a concept that seeks to single out the Taiwanese as a people originating from the Han civilisation,



but developing a unique ethnic identity along the way. Taiwanese who have a strong sense of indigenisation and identity as well as the pro-independence green camp, which supports the DPP, tend to be in this group.

This separation of being descendants of Han from Taiwanese identity is frequently played up in the local media. Under this rationalisation, one can love Taiwan and dislike the mainland, while appreciating Han Chinese culture and making a living off the large Chinese consumer market.

This applies especially to the fourth generation of Taiwanese born after 1968, when the island first held elections for legislators to replace those previously elected on the mainland.

This growing identification with being a Taiwanese, and not necessarily a Chinese, is an outcome of a Taiwan-centred education about history, a long anachronistic rivalry with mainland China, and an adoration of the United States as a guardian of democracy.

In overlooking the pragmatic dimensions of contemporary regional politics and relations, the Taiwanese people have fed on an escapist and inward-looking world view that prioritises individual satisfaction and self-fulfilment.

**Taiwan's main opposition Democratic Progressive Party (DPP) chairperson Tsai Ing-wen (second from left) and party officials at a news conference in Taipei earlier this year. Presidential candidate Tsai maintains a strategically ambiguous position on the issues of Taiwanese identity, ties with the mainland and long-term aspirations.**

PHOTO: REUTERS

A collective tunnel vision shapes domestic policies and exchanges with mainland China and the US.

With a polarised Taiwanese society still maintaining a short-term vision on its economic development and political reform, politicians have responded to populist demands with little motivation for long-term strategic planning.

This does little good for constructive debates on Taiwan's current and future state of affairs.

In this context, what can the in-

coming President, regardless of party affiliation, do to address these challenging issues?

In the process of bureaucratic restructuring and economic reforms, certain fundamental issues related to the Taiwanese identity and long-term aspirations need to be openly debated to reach some form of consensus. Only then, perhaps, will the island be able to reconcile its relations with the mainland.

With Ms Hung Hsiu-chu, the vice-president of the Legislative Yuan,

recently confirmed as KMT's presidential candidate, these issues are brought out into the public realm. But while Ms Hung advocates a clear position of closer integration with mainland China, DPP's presidential candidate, Ms Tsai Ing-wen, maintains a strategically ambiguous position on these issues.

There is likely to be continuing fluctuations on the Taiwanese identity and economic future as the majority undecided voters ponder over the future of the island.