

Taiwan's Political Normalization?

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The results of the 2016 presidential and legislative elections seemed to promise a normalization of Taiwan's politics. The chief reasons for this hope were the achievement of a majority by the Democratic Progressive Party (DPP), the entry into the legislature of a new political force, the New Power Party (NPP), combined with the Kuomintang (KMT) suffering a historical setback. This created hope for a political environment with a focus on Taiwan's development instead of the non-productive divide over unification with China and cross-strait relations. Also, the normalization seemed to offer the EU a stable and predictable Taiwan which might be good for trade and business relations. In terms of the visibility of Taiwan, it has been less than might have been hoped for.

This normalization process may be in danger after DPP's defeat at the local elections in November in 2018. The defeat was not related to China or cross-strait relations but closely related to the economy, working conditions and the mismanagement of political initiatives. When this is combined with the original high expectations of DPP performance on the national level, one ends up with a dangerous cocktail of challenges. Despite finding its true origin elsewhere, the election result risks renewing the old non-productive divide over ECFA and trade connections with China, which – voters would do well to remember – both failed to fulfil their economic promises during the Ma administration, and resulted in the Sunflower Movement, among other indicators of discontent. Whether normalization is really under threat will be apparent in the near future. Much depends on KMT's ability at the local level to reassert its national agenda on cross-strait relations through city to city cooperation with China on various levels and other initiatives.

Internationally, since 2016 the situation looks very different in terms of normalization from an EU perspective. It may not be surprising that a normalization of Taiwan as a country has been a challenge to achieved internationally. Despite this, the DPP's policy of stability and predictability in the relations with China has not generated any major positive response or recognition from the EU. Taiwan has still no observer status in WTO, no new access to major international fora, the top five in Taiwan's government can still not visit the EU and China continues to bully Taiwan. The result that the EU has got is exactly what it wants: a stable and a predictable Taiwan in terms of relations with China, and stability in Taiwan for doing business. The EU now faces the possibility of greater instability due to a less certain political landscape in Taiwan and China's assertive behaviour.

The results that Taiwan has got from European politicians have been minimal. It has heard a lot of comforting and caring words but few concrete actions creating real results on the political level. For instance, Germany's de-facto ambassador, Thomas Prinz, said that Germany supports Taiwan as "much as we can under the difficult circumstances". Engagement with the USA's Trump has been far more fruitful in terms of military cooperation, a show of force in the Taiwan strait and allowing high-level official visits. A deeper examination shows that there are, in fact, some good and positive results on the economic front. The EU and Taiwan have had various meetings, and things seem to move forward on an extended investment agreement. This may not give results for Taiwan in the

short term, but it is here in the long-term perspective that the EU can play a role in the increasing normalization of Taiwan.

The EU's economic role in Taiwan

The EU can assist Taiwan through economic cooperation. The election was among other things about the economy. Taiwan has one of the most equal societies in Asia. Moreover, Taiwan has a national health care system that many countries should be jealous of. Despite this, the Taiwanese have not been content for a long time due to various factors and these includes long working hours, poor working conditions, even compared with South Korea and Japan. Lastly but not at least, most Taiwanese have suffered stagnant wages for many years.

As mentioned, the DPP set out high ambitions during and after the 2016 elections in Taiwan. This created naturally high expectations in an impatient society such as the Taiwanese. The DPP government was challenged by many factors such as Taiwan's cost-focused industrial culture and the difficulties caused by Taiwan's reliance on foreign added-value in industry, among the highest globally. More surprising is Taiwan's low ranking for business environment. It has fallen sharply in some rankings since the beginning of 2010s in, for example, the 'Doing Business' report.

To some degree it may sound counter-intuitive, but Taiwan needs more competition with European companies in some market sectors. This could increase wages, improve working conditions and improve the low speed of import and export, and force more innovation. This could force Taiwan to progress supported by other political initiatives due to the EU's higher standards.

An extended investment agreement with Taiwan could cover more than traditional trade agreements and thus not only focus on tariff reduction. It could cover non-tariff barriers such as test requirements of machinery exported to Taiwan, barriers in the service industry and speed of export and import. Taiwan should embrace these negotiations with an open mind to the potential benefits to its own industry including the many public companies.

Trade with the EU has been stagnant overall, but the EU continues to be in many sectors the largest or second largest investor in Taiwan. This fact is not always felt among the 16 representative offices in Taiwan. Taiwan is far more interested in the USA for historical and geopolitical reasons.

Visibility of Taiwan in the EU

It is not yet possible to fully normalize Taiwan internationally. And acting as a de-facto country risks losing the required agility in handling Taiwan's visibility, which is needed in public domains through various media and on the streets of European cities. Representative offices tend to avoid cooperation with civil society organizations on the basis of caution, such partners are less controllable. Consequently, Taiwan is losing out on an important source of visibility for Taiwan's diverse culture and political environment. That said, representative offices are already engaging with civil society organizations and NGOs and have done a great job in several countries. These groups in

Europe, and through cooperation with likeminded groups in Taiwan, can generate a portfolio of activities in politics, sports, culture or other fields. Such mutual engagement should be possible on the basis of common strategic interests and expectation that it will strengthen these, even if these do not perfectly align.

The unwillingness to go down this avenue can be related to the policy of stability and predictability of the current DPP government and thus reflects how the government is thinking and how it likes things to be done, also in Taiwan. The representative offices focus on traditional diplomatic channels in politics and are using top echelons in the media. This is what they should do but not only that. Sometimes civil society groups can open channels and be engaged in media in a different way or even create a whole new set of ways of thinking that can benefit Taiwan. In many cases, it is about the level of engagement and how you do the engagement. During the last years of the DPP government 2006-2008 there was a greater effort in connecting and networking with groups and persons in civil society. At that time, Taiwan had the Government Information Office (GIO), which was much more network-oriented. It is now MOFA doing this, and this change was a big mistake. In general, foreign ministries are not well geared for this kind of interaction. Today, the offices appear far more reactive than proactive. Imagine if the representative offices had to use 2% of their budget on public diplomacy and cooperation with civil society organizations. This would activate the vast potential of civil society and supplement the other great activities.

Taiwan needs creativity and activities that stem from a passion for Taiwan. It is needed because China continues to bully Taiwan in Europe, and China continues to divide Europe, and especially between east and west Europe. Moreover, the EU's exports to China are around the size of that to the USA. The tendency in the EU for a growing anti-China sentiment may benefit Taiwan but the economic benefit of China may still challenge Taiwan.

The normalization of politics in Taiwan is the best way forward for Taiwan in order to develop Taiwan and make Taiwan what the Taiwanese want it to be, instead of debating Taiwan's relations with China through policies that indirectly support increased integration with China. The support for the social movements in 2014 showed that there is limit to popular support for integration with China. The Taiwanese want the normalization of their country both internationally and domestically. This normalization may be challenged by a new factor in Taiwan, political populism as seen in Kaohsiung. Populism in Taiwan is far riskier than in other countries due to Taiwan's international status and should send a strong signal to Taiwan's politicians to do a better job.