

Balancing Growth, Overcoming Limits, and Opening Up New Horizons across the Taiwan Strait

International Conference on "Mainland China's Reform and Opening Up, 1978-2018: Prospect and Challenge"

Opening Ceremony Speech by

Chen Ming-Tong

Minister

Mainland Affairs Council, ROC (Taiwan)

October 19, 2018

Chairman Ding, Distinguished Scholars and Experts, Ladies and Gentlemen, Good morning!

Today I would like to share some views on developments in mainland China from Taiwan's perspective, as well as explain the cross-Strait policy of the Republic of China (ROC).

1. The results of reform and opening up were not achieved by the Mainland alone: Taiwan's contribution is considerable

40 years ago, mainland China set out on a new development path. It left the chaotic political class struggles of the Cultural Revolution and shifted course to economic development. It moved from a closed to a more open society, and established economic special zones to attract foreign companies and propel its economy forward at a pace that would turn the world's head. Mainland China

has now become the world's second largest economy and biggest trader of goods through the development of the past four decades.

However, this accomplishment was not only achieved by the Mainland alone. It also depended on the input of international resources, as well as a considerable contribution from Taiwan. At that time, Taiwanese companies started to move to the Mainland, invested abundant capital to establish factories, introduced advanced technology and management experience, and have become key pillars of mainland China's economic growth and linkages with international trade. Statistics from our Ministry of Economic Affairs indicate that Taiwanese investment in mainland China totalled 179.83 billion US dollars from 1991 to the end of August 2018.

Chinese leader Xi Jinping had extensive contact with Taiwanese business people in his capacity as local government head during those early days and viewed positively Taiwan's economic contribution to the development of the Mainland. We hope that the authorities in Beijing will not just learn from Taiwan's experience in trade and economic development, but also follow Taiwan's path of political and social transformation. We hope they will be able to recognize the important role that Taiwan plays in mainland China's continued development and in maintaining the regional prosperity in the Asia-Pacific.

2. Unbalanced political and social development is the risk that the CCP has to deal with

The thorny issue of unbalanced development lies behind mainland China's rapid growth. The gains from reform and opening up have not been shared equally. Income disparity and the urban-rural gap have increased. The most urgent tasks facing the CCP are to completely eliminate poverty and to avoid economic recession, systematic financial problems and the middle income trap. An International Monetary Fund (IMF) expert wrote in an analysis this September that China is one of the world's most inequitable, which is due mainly to disparities in education and limited freedom of movement.

Poor and unbalanced political and social development is the biggest risk facing mainland China. Skewed economic, political, and social development will lead to growing contradictions and crises. In mainland China, we are seeing not only stagnant political reforms, but also strongman politics that are against the democratic path we hope to see. The Chinese authorities continue to suppress the good qualities of civil society, including freedom of speech, religious belief, inheritance of ethnic cultures. Despite the fact that the Chinese authorities try very hard to maintain social stability through high-tech surveillance tools, the number of social protests in defense of human rights has only increased. Lack of checks and balances has led to corruption and scandals, which has undermined public trust in mainland China.

Externally, Beijing has followed a strategy of waving the banner of "the China Dream" and national rejuvenation and sought to export "the Chinese model." China tried to exert its influence on

the internal affairs of other countries through the penetration of “sharp power,” which is usually in the guise of economic or cultural means. The international community is well aware of such tactics and is taking corresponding measures to prevent sharp power from further penetration.

3. Reform and opening-up “Version 2.0”: To liberalize the society and return power to the people

The Mainland authorities will need to make drastic adjustments if they wish to be a modern and strong power. The current governance structure of "strong government but weak society" needs to be reformed, and the country's development and modernization should not be solely determined by one party or a single person. Power should be returned to the people to release the vitality of a civil society. We hope that the leader of Mainland China will be more tolerant and embrace universal values such as democracy, abandon totalitarianism and dictatorship, broadening and extending political participation, establishing a mechanism of checks and balances, as well as optimizing human rights protections, in order to embark on a path to a new version of reform and opening-up.

Seven decades ago, the two sides across the Taiwan Strait chose different paths of development and have undergone different domestic reforms. Both were faced with obstacles and challenges. During the past two years, President Tsai has proactively dealt with structural issues left by history, further deepened Taiwan's

democratic values and the rule of law, and promoted a more diverse, open and inclusive society. Reform and opening-up are values shared by both sides of the Taiwan Strait. We are willing to share our experience of growth and transformation with mainland China to promote mutual advancement and development.

4. ROC (Taiwan) is our bottom line, we will not allow provocation

Taiwan government has dealt with cross-Strait affairs in accordance with the ROC Constitution, the Act Governing Relations between the People of the Taiwan Area and the Mainland Area, and other relevant legislation. Maintaining the status quo is the joint responsibility of the two sides. However, recently mainland China has intensified its efforts to pressure Taiwan diplomatically and to contain Taiwan politically and militarily with intent to undermine the status quo in the Taiwan Strait. This has gone beyond the tolerance of all major political parties and people of Taiwan. And it is unacceptable to the international community.

Taiwan faces this provocation, intimidation, and extreme pressure from Beijing with firm resilience by principle of seeking stability, adaptability and making progress. We will neither act rashly to escalate confrontation, nor will we give in or back down. We will not be provoked into confrontation or conflicts, nor will we deviate from the will of the people. The Republic of China (Taiwan) is the greatest common denominator of our society. We will hold firmly to this bottom line. The "one-China principle, unilaterally

defined by the CCP, violates the free will of the people of Taiwan. We call on Beijing to pragmatically face the status quo in the Taiwan Strait, replace confrontation with dialogue, and replace containment with exchange.

Taiwan's most cherished assets are its democratic system and values. The Government's policy is rooted in public opinion. We will defend the best interests of the ROC (Taiwan), strengthen Taiwan's economy and security strategy of national defense, and deepen cooperation with like-minded countries such as the United States, Japan, the European Union. We hope that the international community can also take practical action to support Taiwan.

5. Conclusion—Ushering in a new era of cross-Strait reform and opening up

Reform and opening up cannot succeed if there is no reflection on the inadequacies of the current value system. Without mutual respect and tolerance, reform and opening up are little more than political policy talk. They do not reflect a national consensus. This year marks the 40th anniversary of the launch of reforms and opening up policy in mainland China. Next year is the 70th anniversary of the founding of the CCP government. In the Analects, Confucius writes: "At forty, I had no more doubts At seventy, I could follow my heart's desire without overstepping the boundaries of what was right." I hope that the Mainland leader can fully appreciate the wisdom of his ancestors and usher in a new wave of comprehensive and balanced reforms to meet the governance

challenges he faces.

Cross-Strait relations have been ups and downs for 70 years. However, nothing has been able to stop the exchanges between the two sides. We hope that mainland China can reverse its hostile and confrontational thinking. And we hope the Mainland will join us in ushering in a new era of reform and opening-up in cross-Strait relations and restore peace and prosperity across the Taiwan Strait.

In closing, I wish the conference the greatest success. Thank you!