

MAC Announces Report on the Implementation Results of the "Eight Strategies for a Stronger Taiwan: Responses to Mainland China's 31 Taiwan-Related Measures"

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The Mainland Affairs Council (MAC) today (September 6, 2018) announced a report on the implementation results of the "Eight Strategies for a Stronger Taiwan: Responses to mainland China's 31 Taiwan-Related Measures." At the press conference it also presented research and analysis on the Mainland's "31 Taiwan-related measures" and follow-up actions. The report specifically noted the national security risks that the 31 measures could pose for Taiwan, as well as the numerous uncertainties and risks entailed by the measures for Taiwanese companies and individuals in the Mainland.

The "31 Taiwan-related measures" have not significantly affected Taiwan

On March 16, 2018, the Executive Yuan released a report on "Strengthening Taiwan, Tackling Challenges without Hesitation: Strategies in Response to the 31 Taiwan-Related Measures." The report presented an evaluation and analysis of the "31 Taiwan-related measures" more than half a year after their implementation. Statistics and objective investigations and assessments by various related agencies showed that the 31 measures have had no clear impact on Taiwan in the economic, education, cultural, or medical spheres. These findings are summarized as below:

1. Taiwanese business investment in mainland China: According to statistics from the Investment Commission under the Ministry of Economic Affairs, approved investment from Taiwan to mainland China from January to July this year amounted to US\$ 5.221 billion, down by 2.77% from the same period last year.

2. Taiwanese nationals working in mainland China: According to the "Statistics on the Number of Taiwan Nationals Working Overseas" announced by the Directorate General of Budget,

Accounting and Statistics at the beginning of this year, there were 407,000 Taiwanese people working in mainland China (including Hong Kong and Macao) in 2016, 13,000 fewer than in the year before. The latest statistics will be announced at the end of the year. However, the trend of Mainland-bound investment from Taiwan this year suggests that the number of Taiwan nationals going to mainland China for work will likely continue to fall.

3. Educators teaching in the Mainland: According to a preliminary investigation by the Ministry of Education, no educators from public universities and elite universities have taken up teaching positions in the Mainland since the "31 Taiwan-related measures" were implemented, nor have there been, based on general understanding, any indications of abnormalities in the numbers of private school faculty or university and graduate school graduates going to the Mainland to teach. Objective investigations will continue to be conducted to more closely follow trends in the employment of Taiwanese teachers in the Mainland.

4. Students studying in the Mainland: According to data over the past five years, the number of Taiwanese students enrolling in Mainland undergraduate, masters, or doctoral programs has held largely steady at about 2,000. The number of students enrolled at universities in mainland China last year totaled 11,851. Student interest in enrolling in Mainland schools has likely increased since the Mainland greatly reduced the General Scholastic Ability Test (GSAT) standards for Taiwanese applications this year. However, the statistics in recent years have shown that the great majority of Taiwanese students still prefer to study in the United States, United Kingdom, Australia, and Japan and et cetera. Study in mainland China is only one of many options for young students. The number of Taiwanese students enrolling in mainland Chinese schools last year (2,567) represents about 6.5% of all Taiwanese students studying abroad (37,149). The assessment is that loosening measures in the Mainland have not had a significant impact on the number of Taiwanese students enrolled in Mainland schools.

5. Doctors practicing medicine in the Mainland: Approximately 200 physicians per year, on average, state the intention to practice medicine in mainland China on their applications for certificates of good standing from the Ministry of Health and Welfare (MOHW) in recent years. The numbers for 2016 and 2017 were 204 and 234, respectively. In the period from this January to August, only 108 doctors applied for certificates of good standing, indicating a slowing trend.

6. Cultural exports: The general consensus in cultural circles is that the Mainland measures in the cultural sphere have so far been "empty lip service." In particular, no provinces or cities in mainland China have actually implemented loosening measures for Taiwan artists and introducing Taiwanese films. The Mainland has adopted a strict examination and approval system based on ideology and political considerations for visits by Taiwanese artists to the Mainland and the sale of cultural products in the Mainland. This examination and approval process has become stricter recently, severely curtailing broadcasts of Taiwanese programs and opportunities for Taiwanese artist and film crews to participate in radio and television program production and performance in mainland China.

Continuing to track and understand follow-up trends in the Mainland

Since releasing its "31 Taiwan-related measures," mainland China has announced 36 implementation measures or supporting approaches. However, these are also essentially "favorable to Taiwan in name, but beneficial to China in reality." They aim to attract talents, capital, and technology from Taiwan to help the Mainland resolve difficulties encountered in economic development.

Closer study of the follow-up measures and supporting content reveals a general lack of specific detail and clear approaches, as well as considerable room for vagueness and uncertainty. It remains to be seen if they will be truly implemented. However, we have also observed the Mainland's sustained actions over the years to attract Taiwanese talents and technology with promises of high rewards and various incentives. This is especially evident in the intensification of the Mainland's efforts to lure away Taiwan's high-tech talents and young people. The MAC will therefore continue, in conjunction with other relevant agencies, to track and understand the impacts and changing dynamics of the Mainland's "31 Taiwan-related measures" and related actions, as well as strengthen various response measures.

The Mainland measures create national security, corporate, and personal risks for Taiwan

The MAC stressed in the report released today that mainland China's two-pronged strategy against Taiwan has created a national security challenge for Taiwan. The Mainland has recently raised the banners of "one China principle" and "anti-independence." On the one hand, it has engaged in military intimidation, diplomatic coercion, and political suppression

against Taiwan, while on the other hand it has advanced a policy of "assimilating Taiwan" through economic absorption and wooing the Taiwanese people in the name of promoting cross-Strait economic and social integration. Through "equal treatment" and other preferential means, the "31 Taiwan-related measures" strategically induce the people of Taiwan to give up the right to be their own master and ultimately pay the price of losing democracy, freedom, and human rights. This poses a tremendous national security challenge for Taiwan.

In terms of corporate and personal risks, the "31 Taiwan-related measures" provide incentives or conveniences aimed at attracting Taiwanese companies to invest in the Mainland and encouraging Taiwanese people to study, create businesses, work, and live in the Mainland. However, the two sides differ sharply in their political, legal, social systems and living environments. Mainland China is a centralized state with no respect for democracy and human rights. It has even established a social credit control system to comprehensively monitor citizens with modern electronic technology. Companies and individuals that choose to go to the Mainland face a variety of risks that cannot be ignored.

The MAC, in conjunction with relevant units, has widely collected and studied cases of risk faced by Taiwanese companies and individuals in mainland China. The report released today summarized these cases into three national security risks demanding attention, 10 corporate and industrial risks, and nine personal risks. It specially reminded Taiwanese individuals and companies to heed and carefully consider these risks. The MAC will continue to collect and disclose relevant information to strengthen the public's awareness of risk.

The government's active promotion of "strengthening Taiwan" measures has begun to bear fruit

On March 16 this year, the Executive Yuan announced eight strategies and 39 tasks in response to the challenges posed for Taiwan by the Mainland's "31 Taiwan-related measures." Various ministries are actively implementing these strategies. The MAC collected the results of the response work by various agencies. A total of 23 tasks have been completed and the remaining 16 tasks continue to be promoted. In addition to implementing the 39 tasks, government agencies are strengthening responses to measures that continue to be introduced by the Mainland to "assimilate Taiwan." These include policies to optimize the environment for innovation and entrepreneurship and strengthen talent, eliminate investment obstacles, promote mobile payments, and enhance development of financial markets.

Attention should be paid to the impact of the US-China trade dispute on intensifying the Mainland's pull on Taiwan

Attention should be paid to the impact of the recent escalation in the US-China trade conflict on intensifying mainland China's intention to attract Taiwanese companies, technology and cutting-edge talent to support development of the "Made in China 2025" plan. When the Mainland introduced the so-called "measures to benefit Taiwan", it simultaneously stepped-up pressure against Taiwan in the international sphere. It wrested away Taiwan's diplomatic allies in a series of peremptory actions, and has clamped down on the people's freedom of speech and business operations by means of credit ratings, witch-hunt reporting, and other means. It has used the hard-line tactics of market forces and labeling to coerce companies, individuals, and related countries to bow to its political positions and ideologies through strong pressure and strategic inducements. Its narrow and distorted view of democracy, freedom, and spiritual culture is vastly at odds with universal values. It has attracted attention and triggered backlash in the international community. It has also had a negative impact on cross-Strait relations. The people of Taiwan should heed and join the government in facing and responding to the risks entailed by mainland China's measures.