

# **A Year After Mainland China Announced the 31 Taiwan-Related Measures, the Implementation Results are Overstated and the so-called “Favor Taiwan and Encourage Integration” intends to “Benefit China and Promote Unification”**

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It has been one year since mainland China announced the 31 Taiwan-related measures. Addressing the results of their implementation and effects on Taiwan, the Mainland Affairs Council (MAC) stated that while local governments, ministries and commissions across mainland China have cooperated with Beijing’s policy of promoting unification by announcing thousands of related measures, mainly in the form of government decrees or regulations, the essence of these measures is to “benefit Taiwan in name but serve the interests of the Mainland in reality.” However, whichever aspect one looks at on the anniversary of their implementation, the evidence shows that the effect of the 31 Taiwan-related measures has been minimal. Mainland China’s Taiwan Affairs Office (TAO) released results summary today with the launch of an app entitled 31 Measures. The majority of the results are greatly overstated and packaged with a heavy emphasis on presentation, while overlooking any substantive protection of Taiwan’s rights and interests.

## **The 31 Taiwan-related measures have limited impact on Taiwan after one year’s implementation**

The 31 Taiwan-related measures announced last year mostly pertain to existing measures or the handling of foreign investment. Although local governments across mainland China have put in place their own measures over the following year, such measures have been largely confined to the essence of the original 31 measures, and

it has proven almost generally impossible to implement and execute them. Our analyses show that their impacts on Taiwan remain limited. In 2018, Taiwanese businesspeople invested USD \$8.5 billion in mainland China, representing an 8.1% fall on the figure for the previous year, and the third consecutive year of negative growth. Many Taiwanese businesspeople reported that they felt little benefit from the Chinese measures, and investment in the Mainland becomes more difficult with every passing year. In 2017, the number of Taiwanese people working in mainland China was on the decline and fell further to 405,000. Growth in the number of students, internship recipients, and teachers traveling to mainland China was slight, with around 3,000 students studying in “higher education” institutions in China - far less than 30,000 Taiwanese who study in other countries.

### **Taking practical steps would be more valuable than launching apps and promoting propaganda**

The TAO has changed its way of propaganda by launching a 31 Measures app and “Benefits” media materials. While the intention was to hype the results of the measures, such actions only serve to emphasize that the reality of mainland China’s policies falls far short of the claims to “benefit Taiwan.” In reality, many Taiwanese businesspeople said that they experienced great difficulty taking advantage of these “preferential measures,” or that they have felt no benefit at all. For example, even after obtaining residence permit cards, Taiwanese people find that they do not benefit from “equal treatment” when dealing with issues such as applying for credit cards, using high-speed rail (HSR) services, or taking flights. The MAC calls on the TAO to take practical steps to genuinely improve the treatment received by Taiwanese businesspeople and students in mainland China, including safeguarding their rights by entitlement and their personal safety, rather than simply engaging in high-profile propaganda.

### **Mainland China will find it difficult to economically absorb and politically pressure Taiwan into unification**

Many of the 31 measures involve measures to help mainland China adjust to the realities of economic development and the US-China trade war by stepping up efforts to draw talent and technology from Taiwan's technology industries, thereby increasing Taiwan's economic dependence on mainland China. However, the *Made in China 2025* plan has already led to international alertness and economic slowdown is reducing its attractiveness to Taiwanese companies, making it extremely difficult for mainland China to achieve its goal of absorbing Taiwan economically. The main purpose of mainland China's 31 Taiwan-related measures is to use a policy of unilateral opening-up to deepen integration between the two sides, with the goal of winning the hearts and minds of Taiwanese people and dividing Taiwanese society, in order to expedite the process of cross-Strait unification. However, Beijing has publicly stated that it will not renounce the use of force against Taiwan, and continues to diplomatically oppress Taiwan. No matter what other measures mainland China takes to integrate Taiwan, these actions only serve to create contrived barriers to peaceful cross-Strait development, and undermine any efforts to narrow the gap between the two sides.

**It is vital to exercise caution and remain on guard with regard to the hidden risks of measures offering “convenience” and “equal treatment”**

It is important to note that in addition to the 31 measures, mainland China has also taken a number of other supporting measures, the risks of which we cannot afford to overlook. For example, the Mainland side has issued Taiwanese people in mainland China with residence permit cards in the name of “convenience,” but this policy effectively brings Taiwanese people under the control of the Chinese system, challenging the boundaries that separate people on either side of the Taiwan Strait, and weakening our sovereignty. There are also significant risks to the individual, particularly in terms of the effects of surveillance on privacy, and of becoming an object of taxation. This measure nominally eliminates the regulation requiring Taiwanese people working in mainland China to apply for work permits, without addressing the underlying issues of differential treatment and local workplace

discrimination. Moreover, the incorporation of Taiwanese people in the Mainland into mainland China's social security system (the "Five Insurances and One Fund") does not necessarily meet their needs but increases their financial burdens.

### **The government will continue to improve the overall environment and "Strengthen Taiwan"**

In response to the Mainland side's 31 Taiwan-related measures and changes to the global economy, the government continues to actively promote a range of measures to "Strengthen Taiwan." On March 16, 2018, the government published details of 39 specific measures. While a handful of these that involve legislation amendments are still under review by the Legislative Yuan, the majority have already been put in place and continue to be implemented, helping Taiwanese industries to develop, as well as to recruit and retain talent. The *Welcome Taiwanese Companies Abroad to Invest in Taiwan Action Plan* has also successfully encouraged 12 Taiwanese companies to invest a total of TWD \$32.3 billion back into Taiwan, creating 3,900 job opportunities. The Executive Yuan has also taken action to "Strengthen Taiwan," including introducing the *Fund Repatriation Management Operations and Tax Act* and the *Defense Industry Development Act*, as well as amending the *Industrial Innovation Act*, the *Trade Secrets Act*, and the *Copyright Act*. These measures will improve the investment and development environment for Taiwanese industries and talent.

### **The government will continue to pay attention to the future development and effects of the 31 Taiwan-related measures**

Assessments show that the 31 Taiwan-related measures have so far had only a limited effect on Taiwan. However, as the Mainland side continues to strengthen measures targeting Taiwan, particularly in terms of young people, students, and high-tech, the government believes that it is important to remain vigilant and take preemptive measures. On April 2, 2018, as instructed by the Executive Yuan, the MAC will establish a long-term project working group with the relevant agencies. We

will continue to monitor, study and analyze any mainland China's measures that affect Taiwan, produce research reports at appropriate times, and explain to the public.