

---

## Q&A: The (Re)Emergence of Taiwan Identity and Implications for Beijing



Credit: Mark Edwards

### Why you need to know

'If the once predominant Chinese identity can move from 53 percent to 3 percent in 30 years, who says it can't go the other way? ... This is the challenge for Beijing.'

Professor Syaru Shirley Lin (林夏如) is not your typical Taiwanese academic. With a business background — first privatizing state-owned enterprises in China, Taiwan and Singapore, and later leading Goldman Sachs' investments in Asia, including in Alibaba — she comes at questions of Taiwan identity and Chinese soft power with candidness and lack of sentimentality pinned to economic realities.

Lin, who still has business interests in the U.S. and Asia, splits her time between the U.S. and Hong Kong, teaching at the University of Virginia and the Chinese University of Hong Kong.

She is the author of "Taiwan's China Dilemma," published by Stanford University Press, which will be published in Chinese by Business Weekly Publications in Taiwan in the fall of 2017.

In a recent trip to Taipei, she sat down with The News Lens to discuss her views on Taiwanese identity, how it relates to a more global trend towards extreme politics and the implications for China's goal of unifying Taiwan.

**The News Lens: I would like to start with the question of Taiwan identity. First, can you define what you mean by Taiwanese identity?**

Syaru Shirley Lin: Taiwanese identity, if you look at primary and secondary material, really started to become something seriously debated by the Taiwanese themselves after democratization. Before the late 1980s, Taiwanese was not supposed to be spoken in school. Taiwanese-language television was restricted as was local literature (although "hometown literature" did become more and more important in the 1970s). But Taiwanese identity was not something to be discussed under the KMT (Chinese Nationalist Party or Kuomintang) one-party rule.

After democratization, two things happened that are very important. The Taiwanese started saying, "We can now talk about anything and everything." A lot of people who felt that the Taiwanese were mistreated or had been placed in a segregated community wanted to bring this up. It was an era when identity was largely defined ethnically, differentiating those who were in Taiwan before 1949 and those who came to Taiwan from China in 1949. It was a political segregation that really created a sense of two classes. That is why this discussion needed to be had.

The second part of it that is very interesting is that China had opened up its economy and the Taiwanese were able to also finally start traveling to China, just as democratization started. For the first time, Taiwanese went to China and met the Chinese there, and they said, "Well, we are Chinese, but are we the same as the Chinese we meet in Mainland China?" There started to be a real search for this [identity].

Over the past 30 years, this discussion [of identity] evolved to being much more based on values. That is because, obviously, ethnically 98 percent of Taiwanese are Han Chinese. So, if you talk about "by blood" — and this is what Beijing would like to stress — then we are "one family," meaning Han Chinese in China and Han Chinese in Taiwan are actually from the same blood. But the Taiwanese learned over time that their society had developed totally differently after colonization by the Japanese and after the decades of one-party rule by the KMT. They had completely different identity and values from the people in China.

Since 2005, you will see that most Taiwanese started to talk about Taiwanese identity as "a way of life." This is very important because that "way of life" is defined by civic values, such as democracy and freedom of speech, press and assembly. The Taiwanese started to say, this is why we are different from many other societies, especially vis-a-vis "the other," China.

**TNL: Do you see the Taiwanese identity after the democratization period as a re-emergence of an identity that existed previously, or the creation of something new?**

Lin: Identity is a very complicated topic. You can call it a re-emergence or an emergence. But it has to be put in a proper context, which is people discussing "identity change" over time.

In 1989, 52 percent of the Taiwanese in a leading newspaper poll identified themselves as Chinese. But we have to compare that with 2016, when only 3.4 percent of Taiwanese (in a NCCU University poll) said they are Chinese, and only Chinese.

If you compare that 52 percent with 3 percent, the difference is because a large number of those who lived in Taiwan but were born in China had died. So the people responding to these polls had become entirely different. Accordingly to Academia Sinica in 2013, the younger generation, more than 90 percent under 34 in Taiwan have identified themselves as exclusively Taiwanese. So the younger you are, the less you think about or debate "whether I am Chinese or Taiwanese." They simply don't think about it. They just feel they were born in Taiwan, they go to China to work, they go to China to study, but being Taiwanese is a main part of their identity, and there is no conflict between being Taiwanese and living in greater China.

The identity that we are talking about is something that society has to constantly re-evaluate and talk about. Part of it is a natural re-emergence of something that was suppressed. If you look at history, you would say a lot of what is being discussed now has been there in the past. For example, Taiwan never had democracy, so is that something that is re-emerging or new? Obviously it is new. It is the first Chinese democracy in the world. But could you say there were roots; factors that led to Taiwan becoming a democracy? Yes. Under the Japanese and under the KMT, Taiwan always had local elections. This is very different from other parts of greater China. Therefore you could point out that some parts are a re-emergence of an identity that has always been there.

But these values need to be cultivated, nurtured and cherished. Young people in Taiwan feel, as well as some in the older generation, that: Taiwanese democracy was fought for and hard-earned; it didn't fall as a gift from nowhere; and, that generations of Taiwanese sacrificed their lives to create the society that they have today.

**TNL: Outside of ethnicity and political systems, as a Taiwanese person yourself, what other factors do you think makes someone distinctly Taiwanese as opposed to a Chinese person living in Taiwan?**

Lin: In Taiwan, I can look at Google, I can look at Facebook, there is no limit to where I can live, and what I can do with my life. You can call those political values, but they are actually social and cultural values. People think in ways that are entirely different than people in China.

Understanding that these values were created in this community, people start to re-evaluate their relationship with China. Understanding that our culture may be Chinese, but defining ourselves as part of the Chinese political system would have adverse social, cultural and economic impacts.

For example, Taiwan is a small-, medium-business-based economy. Most people's dreams are to have their own business and be their own boss. There are many, many different sayings about this in Taiwanese. If you were to live in China, state-owned enterprises are still a very big part of life and the Communist Party is still the most important part of the economy, of the country. In Taiwan, the people are no longer used to either the government nor the ruling party running the economy.

**TNL: When you are looking at how much change there has been on the question of Taiwan identity over the past 30 years, what has been the response in Beijing? How has the Chinese Communist Party viewed this shift?**

Lin: Beijing has excellent analysts and policy specialists. I've spoken to many throughout China who know the situation and the evolution of Taiwanese identity actually quite well.

One would ask the question, "So, why is their response so consistently non-conductive to their project [of unification with Taiwan]?"

Beijing has always claimed unification as a core interest. There must be top-down pressure and we've seen a lot of that hard power: economic and military sanctions and the projection of

force.

But Taiwanese identity continues to become more and more Taiwanese. Since 2008, more than 90 percent of Taiwanese say they are either Taiwanese, or Taiwanese and Chinese. It is an astounding number and it hasn't dropped below that.

Beijing knows all of these facts.

And there have been a lot of exchanges, especially in the eight years under Ma Ying-jeou's (馬英九) KMT government. Exchanges between scholars and policymakers have been very dynamic.

The issue is that China, even though it is not democratic like Taiwan, it still has to go through a process for different opinions to be aggregated and consensus to be reached for policy to change. The difficulty is that there are so many different voices in Beijing, therefore it is very hard for those who advocate a change in strategy to successfully reframe the issue.

I can only be optimistic about it, because in the last 30 years, using both economic benefits to get close to specific businesses and individuals who are close to a party has not produced much political spillover. Using hard power certainly has not worked.

Since the KMT lost power, even though Beijing appears to rely on hard power, they are seriously investigating how to woo the working class and young people [in Taiwan].

**TNL: But if you look at Beijing's closing of Taiwan's diplomatic space over the past year or so, it just alienates people in Taiwan further from China. Does this reflect the fact that at the highest levels in China, they haven't come to terms with the idea that Taiwanese identity is so strongly held?**

Lin: I've given speeches in Beijing and there is a wide debate in the group of people who are important to Taiwan policy. This question has always been there: Is Taiwanese identity simply part of identity politics? Is it just something that political entrepreneurs use and manipulate to gain electorally? Despite that being the official line, more and more people in China are saying, "Maybe this is not so."

When you see identity politics, you have to always remember there is supply because there is demand. Look at France, if there was no demand there would be no Le Pen. You can't say, "There is only one Le Pen so that is a unique political phenomenon." There is a populist tide all over Europe. Why are there so many extreme candidates, both on the left and the right? Because there is demand.

Increasingly Chinese are coming to terms with this. I teach Chinese students in Hong Kong and the U.S., and it is interesting that these young people are very different. They interact with Taiwanese who study abroad, who do business, who travel and backpack around the world. You cannot tell them that their identity was manipulated by Beijing, just like you cannot say to a young Taiwanese that their identity was the result of Taiwanese government policy. Identity is not a top-down imposition; it is not the result of state propaganda, especially to the younger generations who have so much information.

Consider the fact that under eight years of KMT rule, from 2008 to 2016, Taiwanese identity consolidated and gained the most ground in those eight years. You can't say that it was an anti-China government. So how could the emergence of a Taiwanese identity be the result of top-down education? Taiwanese believe that their society is one where they participate, bottom-up. And with that bottom-up force, as in the Sunflower Movement, they force the government to change its policy.

**TNL: You have been travelling around Europe, looking at how local identity is playing out in other countries. Can you talk about the research that you've done in that area and how you think Taiwan's experience fits into this global trend?**

Lin: The global trend that Taiwan exhibits is really what I focus on in my research. Questions about how identity is linked to policy making. This is particularly important because a lot of the policies that have been implemented in Taiwan seem to be irrational or overly-emotional and based on non-economic reasoning.

Non-economic does not mean non-rational reasoning.

My initial research was on why Taiwanese economic policy towards China, which is its most important economic partner and offers the best opportunities for its future, has been so inconsistent over the past 30 years. The Taiwan government restricts and liberalizes and then restricts and liberalizes. I found out that if there is identity polarization in a society, as in Taiwan in the initial stage after democratization, and without that debate being resolved they could not talk about economic policy rationally and being focused on economic outcomes.

This is similar to Eastern European countries after the Cold War ended. If you look at Ukraine, Belarus, these are places where there's a large Russian minority population. There is a lot of discussion of, "Are we Russian?" or "Are we Lithuanian?" This really created a struggle between those who said, "We should join NATO," and those who said, "We should get closer to Russia."

Much of this relates to two issues that cause extreme political leaders becoming more and more appealing. This phenomenon exists around the world today, in Europe, the Middle East, East Asia, and is based on both economic issues and non-economic issues.

The economic issues are quite simple: high-income societies have fallen into the trap where the younger generation don't have the same opportunities as the older generations, therefore they are less-incentivized to take certain opportunities based on economic calculations. Many don't feel like they are able to afford housing; whether you live in London, Seoul, Taipei or New York, there is very little possibility that even if you work for the next 20 years you will be able to buy an apartment. If your goal is no longer to save money, and accumulate assets and have a family, then your view of the world changes, dramatically. The fact is that wages have stagnated for the middle class and the working class, whereas the top 20 percent really has seen their fortunes increase dramatically. In terms of intra-country inequality, it creates a sense of unfairness, injustice, and it leads people to become angrier.

Those are the economic roots of the problems faced by societies in a high income trap. These economic problems are serious but they can be resolved in the long-term with good public policy.

But the fundamental issue is the fact that Taiwan is a democracy and its largest trading partner and investment target, China, is not. This creates a different dynamic. Many young people perceive trading with China to have led to the economic problems of Taiwan: inequality, wage stagnation and rising housing prices. The perception is: "It is all because of China." So people focus their anger at China.

But if you look at it more carefully, there is a bigger issue beyond economics. Because if those are the only problems, then all Beijing has to do is to offer to pay to fix Taiwan's problems. So can economic resources resolve cross-Strait relations? No. Because the two societies have totally different values. The gap is so big.

Hong Kong is the best example. All the economic issues are converging with the non-economic issues: young people in Hong Kong also aspire to have a democratic society.

These fundamental differences cannot be easily bridged. People in Taiwan are used to their way of life. Even if you resolved all of their economic problems, would they want unification? Look at the best conditional surveys, they ask, "If China was as wealthy and democratic as Taiwan, would you support unification?" and the number who agree is dwindling.

**TNL: Drawing on your experience in Europe, where questions of culture and identity are becoming more important than jobs for voters, what do you think are key implications from this trend?**

Lin: There is a "chicken and egg issue." If you look at those who voted for Brexit and Trump, they are older. Some are educated and wealthy, but many are working class. In the electoral results in the U.S., coastal cities were entirely blue, and then Middle America is mainly red. If you read about elections around the world in the past two years, the word "identity" keeps popping up.

Two years ago, this was rarely discussed. Identity was viewed as an emotional, non-rational factor and an unreliable way to discuss people's motivation because you can't quantify it. You assume when people vote in democratic countries, they vote with economic equations in mind — they calculate everything, they know the candidates' tax policy — but studies show that most people actually vote with their heart.

The loss of identity or the feeling that their voices are not being heard, that is what identity means. A large number of people voting in America and a large number voting for Brexit felt that they were not being heard and that their plight has worsened with more and more economic liberalization.

This issue has been raging through many European countries. The fact that the French presidential election had these newcomers not only join the race, but won it really showed that people are tired of the existing elites trying to do "business as usual."

The scapegoat can come in different forms. In France and Brexit, it was immigrants, and of course Trump wants "The Wall." Will stopping immigrants stop the slowdown in these advanced economies? No. When an economy has grown to a certain stage you have to have really good economic policy and strategy to re-educate those who are not "knowledge workers" to fit them into a society where they are providing more value-added services. You have to provide more education and sometimes redistribution. Those are difficult things to propose in an election and then to implement.

It is easier to just talk about identity. These are candidates who are just saying, "I know how you feel." You vote for someone who feels your pain. That is what identity means today.

**TNL: If you take the view that people are voting more on questions of identity and culture to a logical conclusion, politicians will increasingly will have to appeal to those sorts of values. What does that mean for Taiwan? Will future politicians, or aspiring politicians have to appeal to calls for Taiwan independence, or having a more anti-China stance?**

Lin: There is a very big difference between France and America, and, say, Taiwan, Hong Kong and South Korea, which are also going through big changes because of young people's reactions to what is happening.

Young people in Hong Kong, Taiwan and Korea are very angry at the elites; business and government leaders colluding and providing benefits to themselves.

In Western societies, the older generation is really rebelling and voting for anti-establishment candidates.

In East Asia, the younger generation, are excellent examples of a different phenomenon. They

are rebelling against the elites in general.

The Taiwanese have already shown that. You've seen the polls showing the decline in the popularity of President Tsai Ing-wen (蔡英文). Young people overwhelmingly voted for her, but they are still disappointed in some of the things that are happening. They still want to see change. That is why the New Power Party came into existence. With very little investment and lead time, five legislators who never held office are now in power. That is because there is the demand from people who wanted an alternative to the DPP. Taiwan's DPP needs to be "on guard."

In these Asian cultures and societies, young people are rebelling against established parties. It is the same in Hong Kong. Young people are not voting for the pan-democrats who have been fighting for democracy for decades, or for the pro-establishment groups. They are angry at all of them, and more angry at those who they think collude with Beijing.

**TNL: Looking at Hong Kong and the 2016 Legislative Council elections, you had candidates supporting concepts like self-determination or Hong Kong independence. That seems to be an example of a more extreme view becoming popular. Do you see that becoming a more mainstream trend, and happening in Taiwan?**

Lin: It is a bit different in terms of timing. Hong Kong is experiencing what Taiwan experienced 30 years ago. The narrative started in about 2008. Until 2008, Hong Kong's sense of identity was actually getting more and more Chinese. From 2008, especially after Xi Jinping came to power in China in 2012, polls showed that young people started to be seen, more and more, as "Hong Kongers." That is when the word "independence" came into the conversation.

Do you think it is tenable? In the university study that first asked people about independence, 39 percent of those under 29 said they supported Hong Kong independence, but almost none of them thought it would be possible. So why vote for a candidate who has a platform that is untenable? Because they want to assert their identity: "I am a Hong Konger, so I vote for this candidate to tell you that I am a Hong Konger."

In Taiwan, they are already past that phase. After 30 years of debate, the Taiwanese are not really talking about independence. If you look at support for "independence at all cost," very few people actually support that.

The question of independence is really not the right way to look at this issue any more. Candidates are not trying to appeal to voters based on pro-independence or not. That is not even an issue for most young people. They just want Taiwan to be autonomous. "De jure" independence is not something that is being discussed at all.

**TNL: Could it become more mainstream, because it will be a politically smart move to take an extreme position?**

Lin: We have to give more credit to Taiwanese voters. The discussion is much more nuanced. Nobody is going to win election by saying, "I'm pro-independence." If they don't have a good economic policy, addressing reforms and wages, they can talk about identity and independence all day long, but they won't win. In terms of vote-winning, the DPP avoids talking about independence. All candidates in Taiwan over the past 10 years are really converging in the middle. They need to provide solutions to make Taiwan more competitive. That doesn't mean to exclude China or be anti-China.

**TNL: Those practical economic considerations seem to be in contradiction to what you said earlier about the general global trend of people voting on identity and culture. Does it matter whether a government performs strongly economically?**

Lin: Absolutely. People are talking about identity and culture because of the economic problems they are experiencing, because they have no jobs. People are angry because of socio-economic problems. People do want to see their economic situation improve, and no place more than Taiwan. Taiwan was once an economic miracle. It had double-digit growth decades ago and the miracle was not the growth. It was that while Taiwan was growing, inequality reduced. Today, Taiwan is not growing and inequality is widening.

A large part of why President Tsai's popularity is declining is that while she has been very prudent on cross-Strait relations, domestically she has been slower in implementing some of the changes that people expected on the economic front.

If things improve on the economic front, people generally feel that their identity is more secure whereas when people's economic future is in doubt, they often feel that their identity is threatened.

**TNL: Moving towards the end, there is a view that Beijing might be rethinking its Taiwan policy. There seems to be widespread agreement the current policy is failing. It is certainly not endearing China to Taiwanese. What are your expectations for Beijing's policy towards Taiwan, perhaps with reference with the 19th Party Congress coming up this year?**

Lin: Taiwanese are always very focused on what is happening in Taiwan. We have to understand China is so much larger as a political economy that to re-evaluate or re-strategize takes a lot of effort. The 19th Party Congress is a very important point in time.

If Xi Jinping (习近平) is successful in consolidating his power, he will have more room to manoeuvre.

At this point, some analysts believe he has less room to manoeuvre than you may think. So, he may know all the facts. From what I see, in Beijing, the analysts know all the facts on Taiwan quite well. It is not unnoticed that for 30 years things have been moving in the wrong direction.

To make a whole set of policy changes, it takes a lot of resolve. Since Deng Xiaoping (邓小平), no Chinese leader has been confident or strong enough to make a change in strategy. Deng Xiaoping of course proposed "One Country, Two Systems" for Taiwan, and later Hong Kong. He was daring because he really wanted to change cross-Strait relations. All leaders after him have been quite conservative. Most have basically avoided promoting unification; they just make sure Taiwanese don't talk about independence or look like they are leaning towards it. But they are not really trying to change the equation and move the unification project forward.

There are two ways to look at what happens if Xi does become more powerful.

Either he becomes more assertive, because he really cares about unification, and uses all his resources to make it happen and be very heavy-handed. I think this is very unlikely. There are so many problems now: North Korea; South China Sea; East China Sea; and the biggest issue for Xi Jinping is the domestic economic slowdown. That is so much more important than unification as it is economic performance that gives the Chinese Communist Party its legitimacy. Xi Jinping using more hardline solutions to push unification? I don't see it as very likely. The cost would be too high for China with its multiple national core interests now.

The other side of it, and I am very hopeful this will be the case, that, as he becomes more powerful and proves to be visionary, he may re-strategize. The rumours are that China will create more "bottom-up" willingness for unification.

**TNL: Does that imply that Beijing starts to use carrots to somehow endear to China to Taiwanese?**



Lin: China has never actually stopped using carrots. But they simply distribute carrots very unevenly. The unequal distribution means that very few people are getting the carrots, most people are seeing the guns and the missiles.

What Xi should do is to create soft power relative to both Taiwan and the world. I consider Taiwan to have been the easiest target for the projection of Chinese soft power; it speaks the same language and has a similar culture. If you cannot create soft power with Taiwan, it is unlikely you can create soft power toward the rest of the world.

**TNL: Do you think there is capacity within Taiwan for the Taiwanese identity to actually diminish and go back towards a Chinese identity?**

Lin: Theoretically, yes. Obviously, if the predominant Chinese identity can move from 52 percent to 3 percent in 30 years, who says it can't go the other way?

Can it go from a primarily Taiwanese identity to be a more Chinese identity? This is the challenge for Beijing.

**TNL: What should we look for as indications that Beijing has taken a change in direction?**

Lin: For Beijing, the most important group in Taiwan is the young people. As in the past, the people they relied on are dying. They have to look at the future, not be focused on those they were friends with before. We all know those who are friends with Beijing today are relatively older. They are in business, they are in the KMT. Beijing needs young friends. Right now, young people in Taiwan are unwilling to work in China, and are unwilling to move there permanently. Despite the economic opportunities in China, many parents are also happy for their children to stay in Taiwan because they have so few children now.

China does have a lot of potential. It is an important market and an excellent opportunity for Taiwanese young people. But how to make China attractive and not just lucrative is something that Beijing really needs to think about.

But, as I said, we always have to remember that Beijing has its own problems. The economy was at double-digit growth, it's now, officially at 6.5 percent, but the number is unreliable. Amid that kind of economic slowdown for such a large economy, the potential for social unrest is huge. So while they may be interested in attracting some young people in Taiwan, this is not their focus on a day-to-day basis. Taiwanese really need to think about how to make the most of this opportunity of China's dramatic political and economic transition: the 19th Party Congress and the economic slowdown.

Editor: Olivia Yang