

Ma's blind spots risk Taiwan's well-being

Written by Taiwan News Editorial
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In an exclusive interview with the vernacular China Times, President Ma Ying-jeou revealed numerous blind spots that expose the risks that the China-centric policies of his rightist Chinese Nationalist Party (Kuomintang) government pose for Taiwan's future well-being.

The prime point of the president's lengthy discourse was that his policies of cross-strait reconciliation with the authoritarian Chinese Communist Party-ruled People's Republic of China were generating "peace dividends" for Taiwan, including an inflow of 1.5 million Chinese tourists and the signing of the controversial "Cross-Strait Economic Cooperation Framework Agreement" and other pacts with the PRC and will pave the way for the realization of his China policy goals of "peace and prosperity."

The first blind spot concerns the question of whether "peace" really exists in the Taiwan Strait given the PRC's increasing deployment of 1,600 missiles and other offensive forces targeted at our shores and Beijing's refusal to revoke its belligerent Anti-Secession Law which mandates that the PRC has the legal right to use "non-peaceful means" to "unify" Taiwan.

Indeed, numerous statements by PRC senior government and military officials to the effect that the Taiwan people need not fear such deployments so long as "Taiwan independence forces" do not return to governance" exposes the character of this "peace" as little more than extortion.

As Beijing diplomats have not ceased insisting in international forums that Taiwan is part of the PRC while the KMT government has accepted the "one China principle" and imposed an arbitrary "diplomatic truce" on affirmations of Taiwan's democratic sovereignty, it seems clear that the political dividends from this so-called "peace" have been gained mostly by the PRC.

In addition, Ma's failure to list "democracy" or "human rights" among his listed cross-strait priorities of "peace and prosperity" reveals both the KMT leadership's aversion toward democracy and human rights and hints strongly that Ma will not "resolutely uphold" the right of democratic self-determination of the 23 million Taiwan people in future negotiations with the PRC.

Neither peace or prosperity

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Besides overlooking the downside of the massive influx of PRC tour groups in squeezing out resources for Taiwan-centric ecological and cultural tourism, Ma's complaint that economists who warned that the current economic rebound was a "unfeeling recovery" were being "unfair" also displayed his inability to perceive that expansion in inflation-adjusted gross domestic product is no longer a reliable indicator of improvement in overall social well-being.

This trend is a structural phenomenon of globalization that is particularly worrisome in Taiwan's case given the massive outward migration of industry and jobs to the PRC over the last two decades and the rise of "triangular trade" that has led to the production of a rising share of Taiwan's export orders in the PRC and is therefore depriving our economy of domestic private consumption and investment demand, exerting downward pressure on wages and employment and exacerbating income and wealth inequality.

Therefore, despite the 13.12 percent rebound of the economy in the first half of 2010 compared to last year's 7.85 percent contraction, the overall well-being of many ordinary Taiwan people has not bounced back or even improved at all.

Besides the expansion of the income gap between the top 20 percent of households and the bottom one-fifth to 8.22 times last year from 7.53 times in 2007, data issued by the Directorate-General of Budget, Accounting and Statistics showed that the real wages for Taiwan workers in the first six months of 2010 contracted to their lowest level in 11 years at NT\$34,400 a month compared to NT\$34,600 a month in 1999 while the broadly-defined unemployment rate has risen from an average 5.59 percent in 2007 to 7.35 percent last year and 6.82 percent over the first seven months of this year.

Instead of facing this reality and devising policies to ensure that the fruits of economic recovery reach the majority of Taiwan's ordinary people, Ma has simply engaged in denial and spun warnings by some of Taiwan's most senior economists into a personal insult while promoting an ECFA whose features may exacerbate these trends.

It is also difficult to take seriously Ma's lamentation that "the situation would have been much different" and his government could have implemented his "633" economic platform for over six percent annual growth were it not for the global financial crisis.

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Such "what if" lamentations expose the Ma government's incompetence in crisis forecasting and management, especially as the stubborn push by the KMT government to implement Ma's rash "633" promise and to hike energy prices after taking office in May 2008 worsened the global financial tsunami's impact.

Ma's statement also downplays the negative contribution made by his own party in boycotting numerous programs proposed by the former Democratic Progressive Party aimed at boosting domestic demand oriented industries and services.

Perhaps the most worrying aspect of such self-imposed blinders is their effect in blocking Ma and other KMT leaders from perceiving why so many Taiwan citizens worry that Ma's course will bring not dividends but disaster for democratic Taiwan.

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