

China is only holding Taiwan back

Written by Gerrit Van Der Wees
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On Aug. 4, the Wall Street Journal carried an interesting editorial entitled: “Taiwan leaves itself behind,” in which the paper argued that Taiwan needs to ratify the service trade agreement with China to avoid being further isolated internationally.

Regrettably, the Journal article suffers from a number of misperceptions and therefore draws the wrong conclusions. It is a false premise that — as the article argues — the road to less reliance on China runs through Beijing.

The author of the article fails to understand that China has a not so well-hidden political agenda with the service trade agreement, as it sees the pact as a step in the direction of “unification.” Instead of broadening and diversifying Taiwan’s ties with the outside world, the pact would pull the nation closer into an unwelcome embrace with China, as well as restrict the country’s international space even further.

One very poignant indicator that this is bound to happen is the Economic Cooperation Framework Agreement (ECFA) Taiwan and China signed in 2010. One of the major “selling points” for this agreement was that it would open the door for free-trade agreements with other nations. It is now four years down the road and the results are meager at best: Only two very minor economies, Singapore and New Zealand, have signed free-trade pacts with Taiwan.

The Journal article also makes the mistake of portraying the student-led Sunflower movement as being anti-free-trade and against economic reform. This is simply false: The movement made it abundantly clear that it is in favor of globalization, but that such trade deals need to be concluded in a transparent manner, be beneficial to a broad spectrum of society and not lead to economic overdependence.

The Journal has a point when it discusses the need for economic reform: Taiwan has many vibrant and competitive enterprises, but its economy is held back by there also being many sluggish state-owned enterprises that have become monopolies and havens for political fiefdoms in support of the ruling party.

On the comparison with South Korea, yes, the two countries are close competitors, but their

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relation with China is very different. Beijing respects the sovereignty and territorial integrity of South Korea, but it does have claims to sovereignty over Taiwan, as well as about 1,600 missiles aimed at the country. So it would be prudent if Taiwan considers any approaches by China differently from South Korea.

So, how does Taiwan proceed? If it wants diversification, it aggressively needs to pursue trade and investment ties, especially with other democratic nations in the region, such as its neighbors, the Philippines and Japan, as well as with other countries such as South Korea, Malaysia and Indonesia. It should also focus on forging better ties with the US and Western Europe.

Taiwan needs to realize that the road to liberalization and globalization does not lead through Beijing; it would be perpetually pulled back by the undemocratic rulers there and relegated to marginalization and political isolation.

Taiwan can only move forward and become a full member of the international community of nations if it casts a wide net across the world and strives to play a direct, active role internationally.

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