

Pension reform needs to be swift

Written by Paul Lin 林保

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In Taiwan there is a saying, *kenan* (艱難), which means “to overcome adversity.” The saying entered the Taiwanese lexicon following the Chinese Nationalist Party’s (KMT) retreat to Taiwan at the end of the Chinese Civil War and referred to the KMT’s aim to “reconquer the mainland.”

The Chinese Communist Party (CCP) had a similar saying: *jianku doumen* (“arduous struggle,” 艱苦鬥爭), which was initially adopted as a revolutionary slogan. After the founding of the People’s Republic of China (PRC), the CCP continued to promote the glory of the “arduous struggle” to the masses.

Today, Taiwanese still struggle to “overcome adversity.” Meanwhile, corporations that enjoy special privileges continue to covertly squander money and fleece the public. This is something that should not be allowed to happen in a democracy.

Many Taiwanese talk of an “organic independence,” referring to the natural emergence, through the passage of time and emergence of new generations, of an identification with Taiwan, not with China. While there is nothing wrong with the idea of an “organic independence” per se, what Taiwan really needs is to become a fully-fledged independent nation.

Independence does not grow on trees, nor will it fall from the sky into Taiwanese’s laps; they must fight for it.

The nation has to build up its strength, fend off the threat of annexation by China, while avoiding becoming dragged into a three-way conflict between Washington and Beijing. The whole nation must come together to “overcome adversity.”

After the KMT came to Taiwan, it continued to preach to the public a message of overcoming adversity. However, once the party gave up on its dream of “retaking the mainland” it switched its message and downgraded its goal to simply “maintaining sovereignty” (*pianan*, 偏安) over Taiwan.

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Now, though, the conditions both domestically and internationally have moved in Taiwan's favor so that Taiwanese are presented with a golden opportunity to display resilience in the face of adversity and build a new nation that can proudly hold its head up high.

Needless to say, in Taiwan there is a select group of people who were exempted from the need to "overcome adversity" and were free to enjoy the good life.

During the party-state era of KMT rule, to consolidate their position in their new home, the party gave, through legislation, party members a monopoly over the nation's wealth. This legislation not only exacerbated the wealth gap between rich and poor, but also gutted the nation's resources.

Their actions have risked pushing Taiwan the way of Greece, leaving the nation facing the prospect of bankruptcy and robbing the younger generation of a means of survival.

Now that Taiwan is a democracy, it has a duty to fully investigate and enact reforms to deal with the legacy of the KMT's autocratic system of government — policies and legislation that violated the public interest and prevented the nation from developing along a sustainable path.

As for those who will be affected by the coming reforms, they will have to get used to living on a reduced income. They will probably see this as overcoming adversity, yet their "adversity" is rather different from the everyday struggle for survival experienced by the average Taiwanese worker.

When these privileged people complain that they "won't be able to survive" and go on hunger strike, it is difficult to know whether to laugh or to cry.

If, once a portion of their generous income is cut, they really will be unable to make ends meet, how on earth have ordinary Taiwanese workers been able to survive for all these years? By

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their logic, surely half of the population should already have been pushed into starvation.

These privileged few, who are resisting reform to protect their vested self-interests, appear ignorant of the public's resilience in the face of adversity all those years ago. It is a supreme display of the selfishness that some of humankind is capable of.

The high-sounding language trumpeted by these individuals beggars belief. What of former president Chiang Kai-shek's (蔣經國) forgotten New Life Movement with its promotion of traditional moral values, such as propriety, justice, honesty and honor?

In 1993, I visited China's Sichuan Province with Nobel laureate economist Milton Friedman and the former dean of Hong Kong University's School of Economics and Finance — now amalgamated into the Faculty of Business and Economics — Steven Cheung (陳志強).

During the visit, Friedman spoke with then-governor of Sichuan Province Xiao Yang (楊) about economic reform.

Friedman compared the implementation of financial reform to the docking of a cow's tail: It has to be done in one clean cut to prevent pain.

Xiao replied that Chinese prefer to advance cautiously, little by little, rather than taking a giant leap into the unknown.

Looking back 30 years later, having approached reform in a piecemeal fashion, China's economy is starting to come off the rails. One look at the endemic problems of official corruption and social chaos in China says it all.

In Taiwan, pension reform is proving painful, but rather than suffer years of drawn-out agony, the government should make a clean break of it and perform a short, sharp amputation on Taiwan's unjust pension system.

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