

**Evaluating the Discordant Trends of Political Divergence  
and Economic Convergence Across the Taiwan Strait**

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## Abstract

This research aims to figure out the discordant trends of economic convergence and political divergence across the Taiwan Strait both at the governmental and the public levels. Besides illustrating the factors that shape these two inconsistent trends, this paper will demonstrate the political divergence at the public level through figuring out their preferences for unification and independence issues and Tsai Ing-wen's cross-Strait policy. This research will also provide implications for Taiwan and Mainland China based on the 2008, 2012 and 2016 presidential elections and surveys related to the performance of the Tsai administration.

Since the 1980s, the cross-Strait economic interactions have increased dramatically. At the government level, Taiwan's different ruling parties' and the Chinese authorities' policies toward each other can influence cross-Strait economic and political contacts. The economic interactions between the two-side people of the Strait have also increased. Based on logistic regression models, this research concludes that Taiwanese people's cost-and-benefit calculations on the macroeconomic condition of Taiwan, and their political predispositions of party affiliation and ethnic identity can influence on their preferences for unification-independence issues and Tsai Ing-wen's cross-Strait policy. Therefore, Taiwanese people's cost-and-benefit calculations on the national economy of Taiwan, and the party affiliation and ethnic identity they have contributed to the political divergence at the public level.

## Chapter I Introduction

Taiwan's economy has become highly depended on Mainland China since Lee Teng-hui promoted cross-Strait trades from the 1980s. Taiwan's trade surplus has increased from 937.6 million to 98,408 million US dollars from 1987 to 2016.<sup>1</sup> Especially under the Ma Ying-jeou administration, the cross-Strait economic integration has been improved compared to the stalemate under the Chen Shui-bian administration. The percentage of Taiwan's trade with Mainland China has increased from 7.5 percent to 23.4 percent from 2002 to 2016.<sup>2</sup> Ma Ying-jeou's cross-Strait policy of focusing on economic and financial exchanges with the Chinese mainland boosted an escalating number of Taiwanese businesspeople to invest in the mainland market. The increase of people-to-people contacts along with the cross-Strait economic cooperation and trade exchanges promotes more Mainlanders to visit Taiwan which further boosts Taiwan's economic prosperity.

A significant factor that promotes Taiwan's economy to integrate to the Mainland market highly is the Taiwanese political elites' attention to address the cross-Strait relationship. Since the process of democratization started from 1996, the capability of solving cross-Strait relations has become a standard to evaluate a compatible president. Taiwan's electoral system determines that embracing economic integration to invigorate domestic economy with the mainland is important for the incumbent government to consolidate its governance by attracting more voters who care about economic issues. Although Taiwan's mainland economic policies vary from different ruling parties, the trend of economic interdependence across the Taiwan Strait cannot be halted.

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<sup>1</sup> "Cross-Strait Exchanges Archives," Mainland Affairs Council, last modified February 14, 2018, [http://ws.mac.gov.tw/001/Upload/OldFile/public/MMO/MAC/284\\_1.pdf](http://ws.mac.gov.tw/001/Upload/OldFile/public/MMO/MAC/284_1.pdf)

<sup>2</sup> "Cross-Strait Exchanges Archives," Mainland Affairs Council, last modified February 14, 2018, [http://ws.mac.gov.tw/001/Upload/OldFile/public/MMO/MAC/284\\_2.pdf](http://ws.mac.gov.tw/001/Upload/OldFile/public/MMO/MAC/284_2.pdf)

The increasing economic interdependence between the two sides of the Taiwan Strait allows the Taiwanese and the Chinese to be closer to each other, but the different political systems and the displeasure sentiment raised between both-side people tend to widen the gap between the two cultures of the Strait. The process of democratization of Taiwan over the last two decades and a series of reforms help it establish a democratic society. In contrast, Mainland China's political system of One-Party control differs from Taiwan's electoral system. It is difficult for the Communist Party of China (CPC) to resolve some Taiwanese's ideological antagonism against Mainland China since they are afraid of one-party control may erode the democratic system. Moreover, Japan's long-time rule of Taiwan and the subsequent isolation between Taiwanese and Chinese people because of the Chinese Civil War result in an identity dilemma for Taiwanese people. Taiwanese people usually struggle with self-identified as Chinese and Taiwanese, or both as Chinese and Taiwanese. The percentage of people who self-identified as Taiwanese has increased from 17.6 percent to 55.3 percent while the percentage of self-identified as Chinese's people has decreased from 10.5 percent to 3.7 percent from 1992 to 2017 in Taiwan.<sup>3</sup> In addition to national identity, the long isolation between Taiwan and Mainland China also shape Taiwanese people's different attitudes toward the status issues of Taiwan. The conflicted ethnic identity for the Taiwanese compounding their stances on independence-unification matters is an essential element for understanding Taiwanese national identity. The increase number of Taiwanese people who preferred independence as well as those who perceived themselves as Taiwanese result in the uncongenial political cultures.

A series of clashes occurred across the Taiwan Strait, for example, the Sunflower

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<sup>3</sup> "Taiwanese/Chinese Identification Trend Distribution in Taiwan (1992/06 ~ 2017/12)," Election Study Center National Chengchi University, last modified January 15, 2018, [http://esc.nccu.edu.tw/pic.php?img=166\\_8cefc9c5.jpg&dir=news&title=Image](http://esc.nccu.edu.tw/pic.php?img=166_8cefc9c5.jpg&dir=news&title=Image)

Movement expressed some Taiwanese people, especially the young people's resentment at the mainland. That movement finally succeeded to prevent from passing the Cross-Strait Service Trade Agreement (CSSTA).<sup>4</sup> The antagonism arose during processing the controversial Cross-Straits Economic Cooperation Framework Agreement (ECFA) also showed the difficulties for the Chinese mainland to appeal to the Taiwanese with merely offering economic interests. According to Taiwan's Election Study Center's presidential interviews, most of the Taiwanese people care about economic issues when they choose a new president.<sup>5</sup> However, the rising China contributes the Taiwanese to have more concern about the Chinese mainland will hollow up Taiwan's economy with its low-cost labor force and massive market. Both perceived economic losses and fear from controlling by a single party tend to increase Taiwanese people's distrusts of the CPC and the Mainlanders, and those who prefer Taiwan to be independent to Mainland China.<sup>6</sup>

Consequently, the inconsistent trends of the increasing economic interdependence and the political divergence show both at the government and the public level across the Strait. At the government level, Taiwan's political elites implement different cross-Strait policies that carry different political and economic intentions toward Mainland China. At the public level, the increasing number of Taiwanese people with a Taiwanese identity and a pro-independence stance contribute to the uncongenial cultures on the one hand, and the rising cross-Strait economic interactions benefit the two-side people of the Strait on the other hand. Thus, this paper aims to

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<sup>4</sup> Jean-Francois Dupre, *Routledge Research on Taiwan: Culture politics and Linguistic Recognition in Taiwan*. (Oxon: Routledge, 2017).

<sup>5</sup> Respondents answered the question of the problems you perceived as the most important which should be addressed in 2008, 2012, 2016 Presidential election interviews from Taiwan's Election Study Center.

<sup>6</sup> "Taiwan Independence vs. Unification with the Mainland Trend Distribution in Taiwan (1992/06 ~ 2017/12)," Election Study Center National Chengchi University, last modified January 15, 2018, [http://esc.nccu.edu.tw/pic.php?img=167\\_8bb1a751.jpg&dir=news&title=%E5%9C%96%E7%89%87](http://esc.nccu.edu.tw/pic.php?img=167_8bb1a751.jpg&dir=news&title=%E5%9C%96%E7%89%87)

answer the question of why the discordant trends of economic integration and political divergence happen at the governmental and public levels between Taiwan and Mainland China. Two theories of “symbolic politics” and “rational choice” are adopted in this paper to address these questions. Taiwan’s electoral system provides the lens of individual voting behaviors for us to evaluate the political convergence at the public level. Therefore, the “rational choice” and “symbolic politics” theories will help us understand Taiwanese people’s voting behaviors in presidential elections and their preferences for political issues.

Downs firstly theorized the rational choice model in explaining political behaviors. The rational choice theory of how rational citizens respond to policies and how their responses influence their voting behaviors. He assumed that rational people had less concern about policies itself and cared more about the utility income that government policies could bring for themselves. The concept of utility income is drawn from the broad idea of utility that rational people act to achieve their greatest benefit. In other words, rational citizens will maximize their self-interest in voting behaviors based on the cost-and-benefit analysis.<sup>7</sup> Downs and some economic theorists also asserted that voters aim to achieve the greatest private financial situation.<sup>8</sup> A considerable number of empirical research has developed based on the “rational choice” theory. Kramer applied American national election data to investigate how the aggregated economy and individual economic conditions (income, unemployment) affect American people’s voting behaviors in congressional elections. He found that besides the influences of changes in real income and unemployment on American people’s voting behaviors, national economic fluctuations could also affect people’s choices in congressional elections.<sup>9</sup>

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<sup>7</sup> Anthony Downs, “*An Economic Theory of Democracy*”, (America: Harper & Row Publishers), 42:49

<sup>8</sup> Ibid.

<sup>9</sup> Gerald H. Kramer, “Short-Term Fluctuations in US Voting Behavior, 1896-1964,” *American Political Science Association*, no.1971, 143

Tufte applied aggregated survey data of presidents' performances as well as aggregated economic data of real income changes to investigate the effect of personal economic well-being on their voting behaviors in congressional voting. He found that changes in real disposable personal income had a strong association with changes in points in mid-term votings.<sup>10</sup> Fiorina developed the "retrospective voting" model built on "rational choice" theory which explained that individuals' financial wellbeing changes might influence their evaluation of political elites and further influence their voting behaviors. The "retrospective voting model" presumed that voters evaluated the incumbent government's performance in economic fields, and then made voting choices based on evaluations. Voters might reject the incumbent government if their personal financial well-being declined.<sup>11</sup> She applied data from 1956 to 1974 in research and then found that people's personal economic conditions could influence their voting behaviors in presidential elections.

Therefore, empirical research built on the "rational choice" theory proved that both people's cost-and-benefit analyses of their microeconomic conditions (self-interest) and the aggregated economic conditions (national interest) to have an influence on people's voting behaviors. However, only this theory is not sufficient to demonstrate voters' behaviors since people make voting choices with considering not only short or medium-term factors, but also long-term factors. Therefore, the "symbolic politics" view helps us demonstrate long-term factors that influence people's voting behaviors.

Another theory of symbolic politics developed by Sears supplies as a counterexample for the rational choice theory.<sup>12</sup> This theory asserts that people respond to remote political symbols

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<sup>10</sup> E. R. Tufte. *Political control of the economy*. Princeton. (US: Princeton University, 1978).

<sup>11</sup> M. P. Fiorina. *Retrospective Voting in American National Elections*. (New Haven: Yale University Press, 1981).

<sup>12</sup> Shanto Iyengar & William J. McGuire, *Explorations in Political Psychology*, ed. David O. Sears (Chicago: Duke University Press, 1993).

with consistent predispositions. The political symbols, for example, picture and people, can evoke human predispositions. These predispositions toward political symbols usually develop at early ages between childhood and early adulthood.<sup>13</sup> However, not all predispositions will have a lifelong effect on people's attitudes toward political symbols, some of them that have strong influence on people's political attitudes are "symbolic predispositions." Sears clarified that party affiliation, identification-ideology, and racial prejudice were three significant symbolic predispositions in shaping people's attitudes on politics in American politics.

People's political predispositions given specific political symbols are cognitive reflections, in other words, their attitudes toward specific political symbols are evoked by political predispositions rather than their cost-and-benefit calculations. Therefore, Sears and other authors argued that the personal economic condition has a relative less effect on political evaluation and voting choice comparing with people's symbolic predispositions.<sup>14</sup> A considerable research has found the effect of certain predisposition on the public's voting behaviors or their policy preferences. McConahay proved that people had a higher racial score tended to rate the black candidate higher than the white in the positive direction in hiring.<sup>15</sup> Sears and other scholars also extended the effect of political symbols in comparison with self-interest on people's preferences for governments' policies for four issues of unemployment, national health insurance, busing, and law and orders. They found that included symbolic attitudes of ideologies, party identification, and racial prejudice played strong roles in influencing people's preferences for controversial policies, while self-interest had little effect.<sup>16</sup> In addition, Kinder and Kiewiet

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<sup>13</sup> Stephen Worchel, Jeffrey A. Simpson. *Conflict Between People and Groups-Causes, Processes, and Resolutions*, ed. David O. Sears, Leonie Huddy. (Chicago: Nelson-Hall Publishers, 1993), 145

<sup>14</sup> David O. Sears, *Explorations in Political Psychology*.

<sup>15</sup> John B. MacConahay, "Modern Racism and Modern Discrimination: The Effects of Race, Racial Attitudes, and Context on Simulated Hiring Decisions," *Personality and Social Psychology Bulletin*, no.4(1983), 557

<sup>16</sup> David O. Sears, Richard R. Lau, Tom R. Tyler, Harris M. Allen, "Self-Interest vs. Symbolic Politics in Policy

found that between 1956 and 1976 congressional elections, party dispositions played a significant role in influencing people's voting behaviors. They also found that changes in national economic conditions also influenced voters' behaviors rather than personal economic conditions.<sup>17</sup> Moreover, Sears and Huddy extended research to investigate the effect of people's symbolic predispositions and self-interest on non-Hispanics' attitudes toward bilingual education in America. The results also indicated self-interest had a relative smaller effect on Non-Hispanics' opposition to bilingual education compared to the significant effect of symbolic racism.<sup>18</sup> Besides, Sears and Kinder evaluated how racial issues suburban white people's voting behaviors in Los Angeles. They found that symbolic racism had a strong effect on their voting choices for black and white candidates. In addition, people perceived direct threats of jobs, children schoolings and other threats had little effect on their voting behaviors of anti-black candidates.<sup>19</sup>

The "symbolic politics" also argue that people's political attitudes are difficult to change corresponding to short-term interests, so people's cost-and-benefit analysis during voting has a relative less effect on people's attitudes toward voting or political policy preferences. To answer the question why the discordant trends of political divergence and economic integration happen in cross-Strait relations, this research develops two set of hypotheses at the basis of "rational choice" and "symbolic politics" theories. The first set of hypotheses for the regression models in Chapter V is, whether the symbolic predispositions or the perceived self-interest has an impact

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Attitudes and Presidential Voting," *The American Political Science Review*, 74(1980).

<sup>17</sup> Donald R. Kinder, D. Roderick Kiewit, "Economic Discontent and Political Behavior: The Role of Personal Grievances and Collective Economic Judgements in Congressional Voting." *American Journal of Political Science*, no.3(1979).

<sup>18</sup> David O. Sears, Leonie Huddy, *Conflict Between People and Groups-Causes, Processes, and Resolutions*, 162

<sup>19</sup> Donald R. Kinder, David O. Sears, "Prejudice and Politics: Symbolic Racism Versus Racial Threats to the Good Life," *Journal of Personality Psychology*, no.3, 424-431

on people's attitudes for the unification-independence issues. Another set of hypotheses for the regression models in Chapter VI is, whether symbolic predispositions or perceived national interest has an impact on Taiwanese people's cross-Strait policy preferences.

## Chapter II Literature Reviews

A considerable research has investigated the inconsistent trends of economic convergence and political divergence between Taiwan and Mainland China.

Many scholars emphasized the significant effect of Taiwanese national identity on political disintegration in relation to the process of economic integration across the Taiwan Strait. Clerk used statistics of cross-Strait trade volumes to compare with the trend of Taiwanese people's national identity. He concluded that the increasing cross-Strait trade volumes had little effect on changes of Taiwanese national identity, and only periodically political crises had an influence on shaping of Taiwanese national identity. Clerk also illustrated that Taiwanese national identity as the primary force to widen the gap between cross-Strait relations at the political level was driven by Taiwanese governments' political agendas to build national identity.<sup>20</sup> Muiyad crossly compared trade volumes, the GDP growth rates among Mainland China, America, and Taiwan, the percentage of Taiwanese people self-identified as Taiwanese, Chinese and both Taiwanese and China, as well as the percentage of the Taiwanese's stances on Taiwan's status issues. He then concluded that economic integration did not necessarily lead to political integration but increased the possibility to raise separatist feelings since not everyone could gain from cross-Strait trades.<sup>21</sup>

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<sup>20</sup> Shale Horowitz, Uk Heo, Alexander C. Tan, *Identity and Change in East Asian Conflicts: THE CASES OF China, Taiwan, and the Koreas*, ed. Cal Clark. (New York: Palgrave Macmillan, 2007)

<sup>21</sup> Frank Muiyad, *National Identity and Economic Interest*, 179

Lin also explained that most Taiwanese people with self-identified “Taiwanese” identity further reinforced liberal trade with China. In other words, the primary identity of “Taiwanese” indicated that people seek self-identity through economic integrating with Mainland China.<sup>22</sup> This could also be proved that the same trend of increase in trade volume percentage and the increase amount of Taiwanese people who self-identified as Taiwanese. Therefore, the economic and political aspects were divergent since the economic liberalization in cross-Taiwan Straits no longer responded to the political attitude toward Mainland China. This is consistent with Clerk’s opinion that the economic relations and the political relations between Taiwan and China were two no relevant realms. In other words, economic integration had no effect on political divergence between the two sides of the Strait.

Naiteh Wu further defined the complication of Taiwan’s national identity. Taiwan’s national identity involved two identification issues of self-identified issues (Taiwanese, Chinese or dual identity) and their stances on Taiwan’s political status in relation to Mainland China (pro-unification, pro-independence, or favor the status quo). Their preferences for the political status of Taiwan in relation to Mainland China also called *tongdu* issues. Their party affiliation with Pan-Blue or Pan-Green parties always underpinned different ideological identities. Although many scholars asserted that Taiwanese people’s preferences for the status of cross-Strait relations was a component of national identity, Wu argued that their preferences for Taiwan’s relation to Mainland China differed from the long-term processed identity. He explained that Taiwanese’s stances on Taiwanese-Chinese relations are choices that interacted with short-term interests, which differed from the long-time development of sociohistorical processes and the involvement of emotional identifications and identifies for nations.<sup>23</sup> He developed a new criteria to identify

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<sup>22</sup> Syaru Shirley Lin, *New Dynamics in Cross-Taiwan Strait Relations*, 36

<sup>23</sup> Naiteh Wu, *National Identity and Economic Interest*, 188

Taiwanese national identity, and categorized Taiwanese national identity into four groups of “Taiwanese nationalists,” “Chinese nationalists,” “the conservatives,” and “dual identity” in terms of people’s different views on security, economic and political issues.<sup>24</sup> Finally, he concluded that the large proportion of Taiwanese people who were self-identified as Taiwanese tended to prefer to independence, which became an obstacle for economic integration to pave a road for political assimilation.

Clerk’s statement of the economic interdependence has a little spillover effect on the cross-Strait political divergence echoed with the mainstream theory of neo-functionalism. Huang applied the functional theory to explained the economic spillover effect of ECFA on the political divergence between Taiwan and Mainland China. He explained that negotiating free trade framework showed both Taiwan and China preferred to the cultivated spillover effect from the economic integration to achieve their goals. The Chinese mainland continued to functionalize the economic spillover effect towards political integration. However, the KMT government governed by Ma Ying-jeou tried to exhaust economic effect before putting cross-Strait political issues on the table.<sup>25</sup> Although they finally signed the ECFA that might strengthen their cultivated spillover, it was ambiguous to claim that financial benefits would ameliorate the political convergence between Taiwan and Mainland China. Also, Wu claimed the same as Clerk that there was no spillover effect of economic interdependence on cross-Strait political issues.<sup>26</sup>

Another mainstream theory that plenty of scholars employed to explain the complicated relations between both sides of the Strait is the integration model. The integration theory analyzed the experience of European countries’ integration towards the European Union. Some

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<sup>24</sup> Ibid. 191

<sup>25</sup> David W. H. Huang, *New Dynamics in Cross-Taiwan Strait Relations*, 24

<sup>26</sup> Hsin-hsing Wu, “The Political Economy of ROC-PRC Relations,” *Issues & studies*, no.1, 1995.

scholars predicted the effect of economic integration on political assimilation for the two sides of the Strait based on that theory. Cheng and Clark claimed that people-to-people contacts, for example, tourism could lead to political integration between Taiwan and the mainland.<sup>27</sup> Shu built on Wei's research and constructed a modified "Linkage Community" model. He overcame the shortcoming of the integration model which lacked a casual effect between "societal interest" and "policy outputs."<sup>28</sup> He employed a case study on how Taiwan's business people worked as a pro-unification group to lobby for cross-Strait policies that favored people who had close ties with Mainland China. However, the "Linkage Community" model has a shortage of lacking explicit evidences in proving Taiwanese business people's lobbying effect on real changes of policies. Therefore, this research can work as a supplement to support Wu's conclusion that short-term economic factors always involved in *tongdu* issues.

From the insight of the integration model and the neo-functionalist analysis, scholars usually narrow different conclusions of the discordant trends of political divergence and economic convergence between Taiwan and Mainland China. This is not only due to various factors are imbedded to the complex relationship between Taiwan and Mainland China, but also due to the limitations on building a casual effect between people-to-people contacts or cross-Strait trades on government's policy agendas.

This research will include the relevant factors based on the "rational choice" and "symbolic politics" theories to investigate the discordant trends of political divergence and economic convergence between Taiwan and Mainland China. Sears stated that three political predispositions of party affiliation, identification-ideology and racial prejudice had life-long

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<sup>27</sup> Tun-Jen Cheng, Chi Huang and Samuel S.G. Wu. "The Mainland China-Taiwan Relationship: From Confrontation to Interdependence?" ed. Steve Chan, and Cal Clark. (CO: Lynne Rienner, 1995)

<sup>28</sup> Keng Shu, *New Dynamics in Cross-Taiwan Strait Relations*, 68

effects on people's political preferences. This research will only include party affiliation and identification-ideology in investigating cross-Strait relations since the racial prejudice is not a salient issue in the relationship between Taiwan and Mainland China. As a consistent factor to influence voters' political preferences, Taiwanese partisan issues have been investigated by many scholars. Wong applied the national data from 2004 to 2008 presidential elections to illustrate how partisan issues affect Taiwanese people's voting behaviors. He then concluded that non-partisan voters (swing voters) had different voting models from no-swing voters, where non-partisan voters voted for the president based on political issues and non-swing voters voted for a candidate at the basis of partisan affiliation.<sup>29</sup>

Another factor that can influence Taiwanese people's voting behavior is the ideological identification, which is the ethnicity identity of the Taiwanese in the context of cross-Strait issues. Ethnicity identity is an endogenous variable that belongs to the cultural aspect to understand Taiwanese national identity.<sup>30</sup> Therefore, this research will include the variable of ethnicity identity to investigate how "symbolic politics" can influence Taiwanese people's voting behaviors their preferences for cross-Strait policies. According to Norris, "ethnic identities are social constructs with deep cultural and psychological roots based on linguistic, ethnic, racial, regional, or religious backgrounds."<sup>31</sup> Therefore, it is necessary to involve language Taiwanese people used to figure out their ethnicity identity. In addition to core factors from the perspective of "symbolic politics" that mentioned before, the effect of some demographic factors had been

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<sup>29</sup> Kevin Tze-wai Wong, "Swing Voter and Governing Party Alternation in Taiwan: Victory of Opposition KMT in the 2008 Presidential Election, 21", *Asian Journal of Political Science*, no.3 (2013): 285-305, 302.  
<http://www.tandfonline.com/loi/rasi20>

<sup>30</sup> Tian Chen. "National Identity, Political Engagement, and Electoral Political Participation – A Case Study of Taiwan," 2009, 62.

<sup>31</sup> Pippa Norris, "*Electoral Engineering: Voting Rules and Political Behavior*," (UK: Cambridge University Press," 2004), 217

figured out in Taiwanese elections. Gender has been proved to be relevant to Taiwanese people's self-identity. Both male and female Taiwanese tended to hold a dual-identity as Chinese and Taiwanese in 1994, 1995, and 1997, while both genders preferred a Taiwanese identity in 2000.<sup>32</sup> Women and men also show different performs in elections. Age is another important demographic factor that can influence Taiwanese people's stances on the status issues. The rising discontent from the young generation on Ma Ying-jeou's radical pro-reengagement with the mainland reinforced them to be pro-independence. Therefore, this research will extend the effect of these factors on Taiwanese people's political preferences for the unification-independence issues.

The "retrospective voting" model built on "rational choice" theory also explained that the fluctuation of individuals' financial well-being might influence their evaluations on political elites and further influence their voting behaviors. Voters might reject the incumbent government if their microeconomic conditions declined.<sup>33</sup> Besides individual wellbeing, Kramer proved that the perceived changes of macroeconomic interest also influenced policy preferences.<sup>34</sup> Therefore, Taiwanese people may prefer the incumbent government's policy which can improve their personal economic conditions or make Taiwan's economy more prosperous. The public's attitudes to the incumbent government's performance in resolving the cross-Strait relations can also influence their voting behaviors. Therefore, this research extends the studies on political divergence and economic integration between Taiwan and Mainland China by linking the public level with the governmental level through evaluating Taiwanese people's attitudes to the incumbent government's cross-Strait policy. This can further help us understand the discordant

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<sup>32</sup> Tian Chang. *Ibid.*

<sup>33</sup> Fiorina, M. P. 1981. *Retrospective voting in American national elections.* New Haven, Conn.: Yale University Press.

<sup>34</sup> Gerald H. Kramer, "Short-Term Fluctuations in US Voting Behavior, 1896-1964."

trends of political divergence and economic integration between Taiwanese and Chinese since the Taiwanese make choices for Tsai Ing-wen's cross-Strait policy between political predispositions and cost-and-benefit calculations on financial well-being from supporting the incumbent government's cross-Strait policy.

Therefore, the significance of this research is to overcome the shortages of the neo-functionalism and the integration model in concluding a comprehensive finding for the discordant trends of economic integration and political divergence in cross-Strait relations. This research also extends the application of the "symbolic politics" and "rational choice" theories in analyzing people's voting behaviors and their political preferences in the context of cross-Strait relations. Compare to empirical research discussed above, this research overcomes the limitation of these studies that lack sufficient data to explain the inconsistent trends. This paper will include more relevant factors from the "symbolic politics" and "rational choice" perspectives to build logistic regression models to analyze the discordant trends rather than simply compare the trend of cross-Strait trade volume and the dynamic of Taiwanese people's identity changes. Beyond qualifying the effect of political predispositions and Taiwanese people cost-and-benefit calculations on economic interests, the logistic regression models developed in this research can help us compare the effect of political predispositions of party affiliation and ethnic identity as well as the economic factor of self-interest and national interest in investigating Taiwanese people's stances on unification and independence issues. Moreover, this research explores the political divergence at the public level through the new lens of their preferences for the incumbent government's cross-Strait policy. In all, this paper will extend the current studies on the inconsistent trends of economic integration and political divergence for the two sides of the Taiwan Strait, and illustrate the implications for the forthcoming 2020 presidential election and

the two governments of the Strait how to handle future cross-Strait relations.

### **Chapter III Methodologies**

The inconsistent trends of economic convergence and political divergence across the Taiwan Strait involve the effect of political elites' cross-Strait policies at the governmental level and Taiwan people's political preferences at the public level. Chapter IV will explain Taiwan's and Mainland China's political agendas related to cross-Strait issues and their economic policy towards each other, and then conclude how the different positions of the Taiwanese government and the Chinese authorities influence their cross-Strait economic policies.

Taiwanese people's stances on unification and independence issues can not only show their political preferences for cross-Strait relations but also indicate their choices between political preferences and economic interests. Mainland China has become the largest trade partner for Taiwan that invigorates the economy of Taiwan. Either the status of unification or maintaining the status quo for two sides of the Strait can consolidate the cross-Strait economic stability. However, people who prefer Taiwan's status to be independent tend to cut economic and cultural ties with Mainland China. Therefore, Taiwanese people's preferences for the unification and independence issues can help us understand the political convergence at the public level. Chapter V aims to figure out how the economic factors (self-interest and national interest) and Taiwanese people's political predispositions influence their stances on the unification-dependence issues based on the "rational choice" and "symbolic politics" theories. According to these two theories, the public tends to process cost-and-benefit calculations in elections on the one hand, and their political predispositions can influence their attitudes to specific political issues that reflect in their political behaviors on the other hand. Therefore, this chapter will adopt below datasets to investigate Taiwanese people's attitudes toward Taiwan's status issues based on the 2008, 2012,

and 2016 presidential elections.<sup>35</sup>

**Table 1:** Datasets Information for Chapter V

Datasets	N
The Presidential Election, 2008	1,905
The Survey of the Presidential and Legislative Elections, 2012	1,826
The Survey of the Presidential and Legislative Elections, 2016	1,690

The research questions for Chapter V are set as follows:

**The Research Questions for Chapter V:**

*Do the economic factors of self-interest and national interest and the political predispositions of ethnic identity and party affiliation have an impact on Taiwanese people's preferences for the unification and independence issues, respectively?*

To figure out this question, this chapter sets the hypotheses as follows:

**Hypothesis 1:** The economic factors of self-interest and national interest have an impact on Taiwanese people's preferences for the unification and independence issues.

**Hypothesis 2:** The political predispositions of ethnic identity and party affiliation have an impact on Taiwanese people's preferences for the unification and independence issues.

To testify these hypotheses, the multinomial logistic regression models will be adopted. This is due to the dependent variable of people's stances on the unification and independence issues is a categorical variable, which is manipulated into three categories: people who are pro-unification [(1), (3)] and pro-independence [(2), (4)], and people who prefer to maintain the status quo [(5), (6)]. Therefore, the scale for the dependent variable will be: pro-unification (= 1), maintaining the status quo (= 2), and pro-independence (= 3). The dependent variable of

<sup>35</sup> Taiwan's Election and Democratization Study (TEDS).

Taiwanese people's attitudes to Taiwan's status issues was described in the questionnaires as follows:

*What is your position on Taiwan's relation to Mainland China:*

- (1) Unification as soon as possible*
- (2) Independence as soon as possible*
- (3) Maintain status quo, and move toward the unification*
- (4) Maintain status quo, and move toward independence*
- (5) Maintain status quo, and decide at a later time*
- (6) Maintain status quo indefinitely*

The major independent variables based on the "rational choice" will be people's cost-and-benefit calculations on their microeconomic conditions and the aggregate economy of Taiwan, while other important independent variables based on the "symbolic politics" are Taiwanese people's ethnic identity and their party affiliations. Both the self-interest of people's perceived changes of personal wellbeing and their recognized changes of Taiwan's national economy followed the increasing economic integration across the Taiwan Strait as three categories: better off than before (= 0), worse than before (= 1), and the same as before (= 2). Taiwanese people's ethnic identity is a key variable for other scholars to investigate how their ethnic identity shape the political convergence between Taiwan and Mainland China, so it is manipulated into three categories of Taiwanese who self-identified as Chinese (= 0), self-identified as Taiwanese (= 1), and self-identified both as Chinese and Taiwanese (= 2). Besides, some demographic factors of gender, age, education level are also included in this chapter. The original scale of the highest degree that Taiwanese people received includes no education, elementary school, middle school, high school, skilled school, university and graduate school. This research arranges the variable of

the highest degree Taiwanese people received into three categories of the primary level (= 0), the high school level (= 1), and the post-secondary level (= 2). People who were illiteracy or received the highest degree of elementary school are placed into the primary level, people who received the highest degree at middle school and high school, they are placed into the high school level, and people who acquired the highest degree higher than the high school level are placed into the category of the post-secondary level. Male and female population tend to behave differently in voting, so this research includes the gender variable which male respondents are scaled as 0, while female respondents are scaled as 1. Another demographic factor of age can also influence Taiwanese people's preferences for the unification and independence issues. The younger generation tends to self-identify as Taiwanese because of the cultural policies conducted in Taiwan. Therefore, this paper divides respondents into two age groups of people who are aged between 20 to 29 and others who are aged above 29 to compare the different political positions between the young and the elder generations. Besides, languages that Taiwanese people use may reflect their ethnicities because the variety of ethnicities in Taiwan. That perhaps influence their stances on the unification and independence issues. Thus, respondents' often-used languages at home are manipulated into four groups: *Mandarin*, *Minnanyu*, *Hakka Han*, and often using both *Mandarin* and *Minnanyu*.<sup>36</sup>

So far, the variables listed above are not enough to link the two economies of Taiwan and Mainland China since the increasing economic integration is the reason for Taiwanese people to conduct cost-and-benefit calculations on their personal well-being and the aggregated economy, and compare microeconomic and macroeconomic conditions before and after the growing economic interdependence. Therefore, some control variables that capture the economic links

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<sup>36</sup> Ibid. 83

between Taiwan and Mainland China should be included. The first economic control variable is Taiwanese people's visit times to Mainland China, which is manipulated into had been there for different times (= 0) and never been there (= 1). Another control variable is Taiwanese people's economic interactions (investment, run businesses, work, live and study) with Mainland China, which is manipulated into two categories: have (= 0) or have no (= 1) economic activities in Mainland China. These two economic control variables are sufficient to explain the economic interdependence of the Taiwanese and the Mainlanders. *Table 2* below showed the full descriptive statistics of variables used in all three presidential elections.

**Table 2** Descriptive Statistics of Major Variables from the 2008, 2012, 2016 Presidential Elections

Variables	2008		2012		2016	
	Mean	S.D.	Mean	S.D.	Mean	S.D.
Unification-Independence issue	2.12	0.62	2.10	0.61	2.18	0.65
Self-interest	1.44	0.75	1.77	0.56	1.71	0.57
National interest	0.76	0.80	0.96	0.94	1.18	0.82
Household income	3.19	2.93	4.31	3.07	4.40	2.99
Cross-Strait economic contacts	0.89	0.32	0.84	0.37	0.84	0.37
The Taiwanese visited Mainland China	0.76	0.43	0.74	0.44	0.74	0.44
Gender	0.48	0.50	0.48	0.50	0.46	0.50
Age	52.9	15.12	56.1	14.8	57.3	15.6
Education level	1.24	0.72	1.38	0.68	1.35	0.69
Ethnic identity	1.38	0.58	1.38	0.56	1.27	0.54
Father's ethnicity	1.00	0.47	1.00	0.49	1.03	0.51
Party affiliation	0.82	0.80	0.74	0.78	1.00	0.76
Frequently used language	1.17	1.09	1.19	1.14	1.17	1.17
N	1,114		1,149		1,069	

In addition to figuring out the factors that contribute to for political convergence and economic integration in cross-Strait relations, the evaluation of Taiwanese people's attitudes to the incumbent government's cross-Strait policy can also help us understand how Taiwanese people make choices between economic benefits and their political preferences. Taiwan has experienced an economic downturn, and the increasing economic contacts between Taiwan and Mainland China can reinvigorate the economy Taiwan. Thus, it is rational for Taiwanese people to be in favor of either domestic or foreign policies that can improve microeconomic or macroeconomic conditions. In other words, it is rational for the Taiwanese to prefer the cross-Strait policy that can improve either the aggregated economy or their microeconomic conditions. However, the Tsai administration tends to slow down the process of economic integration between Taiwan and Mainland China. Therefore, analyzing Taiwanese people's preferences for Tsai Ing-wen's cross-Strait policy can figure out their choices for economic benefits the cross-Strait economic integration brings and the political preferences they have. These analyses can further extend the study on the inconsistent trends of economic convergence and political divergence in the realm of cross-Strait policy at the public level.

The analysis of Taiwanese people's cross-Strait policy preferences under the Tsai administration will continue to be based on people's cost-and-benefit calculations and political predispositions of party affiliation and ethnic identity. Chapter VI will illustrate this analysis with the supplement of the following datasets from TEDS.<sup>37</sup>

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<sup>37</sup> Taiwan's Election and Democratization Study (TEDS).

**Table 3:** Datasets Information for Chapter VI

Datasets	N	Description
TEDS2016-T_PA06	1,091	Telephone survey
TEDS2016-T_PA09	1,078	Telephone survey
TEDS2016-T_PA12	9,70	Telephone survey
TEDS2017-T_PA03	9,16	Telephone survey
TEDS2017-T_PA09	9,14	Telephone survey

### The Research Questions for Chapter VI:

*Do the economic factor of national interest and the political predispositions of ethnic identity and party affiliation have an impact on Taiwanese people's attitudes to Tsai Ing-wen's cross-Strait policy, respectively?*

To figure out this question, this chapter sets the hypotheses as follows:

**Hypothesis 1:** The economic factor of national interest has an impact on Taiwanese people's preferences for Tsai Ing-wen's cross-Strait policy.

**Hypothesis 2:** The political predispositions of ethnic identity and party affiliation have an impact on Taiwanese people's preferences for Tsai Ing-wen's cross-Strait policy.

This chapter will adopt the binomial regression models to testify these hypotheses since the dependent variable of people's attitudes to Tsai Ing-wen's cross-Strait policy has two categories of people were satisfied (very satisfied and a little bit satisfied) and people were dissatisfied with Tsai's cross-Strait policy (very dissatisfied and a little bit dissatisfied). The scale for this dependent variable is that people are satisfied with Tsai's cross-Strait policy is 0, while people are dissatisfied with Tsai's cross-Strait policy is 1. The dependent variable of Taiwanese people's attitudes to Tsai Ing-wen's cross-Strait policy was described in the questionnaires as follows:

*What is your attitude to Tsai Ing-wen's cross-Strait policy?*

*(1) Very satisfied*

*(2) a little bit satisfied*

*(3) a little bit dissatisfied*

*(4) Very dissatisfied*

The independent variable based on the “rational choice” theory will be Taiwanese people’s cost-and-benefit calculations on the domestic economy of Taiwan. The independent variables based on the “symbolic politics” theory are political predispositions of Taiwanese people’s ethnic identity and their party affiliation that are the same as those in Chapter V. The independent variable of Taiwanese people’s perceived changes of Taiwan’s national economy compared to the last six months includes three groups of better than before (= 0), worse than before (= 1), and the same as before (= 2). In addition to the limitation of quarterly surveys which lack some economic factors to link the two economies of Taiwan and Mainland China, the shift of the ruling party from the Kuomintang to the Democratic Progressive Party also brings changes that the Taiwanese government has more concern about the political issues rather than economic interactions between Taiwan and Mainland China. This enables us to evaluate the cross-Strait relations in Tsai’s term with focusing on political issues. Therefore, it is unnecessary to include economic control variables since the Tsai administration focuses more on political issues rather than increasing economic interactions with Mainland China. Moreover, the demographic factors of gender, age, the highest education level, and the ethnicity of their father are the same as those in Chapter V. *Table 4* in the next page shows the full descriptive statistics of variables used in quarterly telephone surveys.

**Table 4:** Descriptive Statistics of Major Variables from Quarterly Telephone Surveys

	June 2016		September 2016		December 2016		March 2017		September 2017	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
Preference for Tsai's cross-Strait policy (Satisfied = 0)										
Dissatisfied	0.39	0.49	0.62	0.49	0.62	0.49	0.70	0.46	0.71	0.45
Taiwan's economic interest (Better = 0)										
Worse	1.56	0.61	1.43	0.63	1.34	0.63	1.35	0.62	1.37	0.67
The same										
Gender (Male = 0)	0.52	0.50	0.49	0.50	0.48	0.50	0.52	0.50	0.49	0.50
Female										
Age group (20-29 = 0)										
Above 29	58.22	14.28	58.08	14.33	58.79	14.33	59.06	14.17	58.88	14.62
Education level (elementary = 0)										
High school	1.53	0.58	1.53	0.61	1.53	0.59	1.52	0.61	1.50	0.60
Post-secondary										
Father's ethnicity (Mainlander = 0)										
Taiwanese	1.03	0.47	1.03	0.51	0.98	0.50	0.99	0.53	0.99	0.51
Hakka										
Party affiliation (KMT = 0)										
DPP	0.79	0.73	0.97	0.78	1.05	0.80	1.12	0.84	1.24	0.79
Non-partisan										
Ethnic identity (Chinese = 0)										
Taiwanese										
Dual identity	1.36	0.53	1.33	0.55	1.35	0.57	1.44	0.56	1.37	0.56
N	713		703		784		697		713	

## Chapter IV Politics of Economic Convergence

Economic integration is a process towards economic unification for the two separated geographical regions of Taiwan and Mainland China. The Chinese mainland had close economic ties with Taiwan in the 1930s when Taiwan was under the rule of Japan. Mainland China accounted for more than half of Taiwan's trade compared to Japan when it was under the Japanese rule. The economic exchange was interrupted when the Communist Party of China (CPC) defeated the Kuomintang (KMT), and then the KMT governed the island.<sup>38</sup> The increase of cross-Strait economic exchanges followed Taiwan's democratization process after 1996. Although Taiwan aims to maximize economic benefits when traded with Mainland China, the different policies launched by different ruling parties in Taiwan toward the Communist Party of China (CPC)'s policy intention of leveraging economic benefits to reunify Taiwan to the mainland. Also, Taiwan's policies toward Mainland China are circumscribed by the struggle between the Blue and Green camps, the stalemate of the unification-independence issues, as well as Taiwan's security dilemma. Besides, the two major parties of KMT and DPP have the only line to be distinctive with each other is the construction of national identity. Taiwanese national identity is the foundation for the political elites to develop political agendas and express political will.<sup>39</sup> The KMT and the DPP in Taiwan typically implement different cultural policies to shape people's self-identifications and their attitudes toward Mainland China, which further allow uncongenial cultures to take root in the public. Therefore, it is important to include both Taiwanese cultural and economic policies toward the Chinese mainland to evaluate the

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<sup>38</sup> Robert F. Ash and Y. Y. Kueh, "Economic Integration within Greater China: Trade and Investment Flows between China, Hong Kong and Taiwan," *Center for Public Policy Studies*, no.7 (1993): 716.

<sup>39</sup> Peter C. Y. Chow. *National Identity and Economic Interest- Taiwan's Competing Options and Their Implications for Regional Stability*, ed. Frank Muiyard. (US: Palgrave Macmillan, 2012), 154

uncongenial cultures for the two sides of the Strait because they load the party ideology for the KMT and DPP. Since at least by now, only the KMT and the DPP are two compatible parties to rule the government and implement policies so that this chapter only takes the KMT and the DPP into consideration to evaluate the Taiwanese government's behaviors in cross-Strait relations.

## 4.1 Taipei

The democratization process brought the democratic electoral system in Taiwan since 1996. It is the second time for the KMT and the DPP to be in power by turns over the last two decades. The ruling parties of the KMT and the DPP compete with each other over overlapped election issues of national identity, social welfare, and money politics, but in different positions. However, the KMT and the DPP also show party dissimilarities in some issues that economy, stability, and prosperity are stressed most by the KMT, while the DPP has more concern about political corruption, democracy, and social welfare.<sup>40</sup> Among these overlapped issue domains, national identity is the salient issue in cross-Strait relations. The KMT and the DPP stand for distinctly different positions on constructing Taiwanese national identity that the KMT opposes the DPP's call for the independence of Taiwan.<sup>41</sup> Therefore, the different views between the KMT and the DPP on Taiwan's status issues are pertinent to their cross-Strait policies.

### 4.1.1 The Kuomintang

Lee Teng-hui became interim President after the death of Chiang Ching-kuo in 1988. Compared to the period of 1980-85, the annual growth rate of Taiwan's imports from the

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<sup>40</sup> Dafydd Fell. *Party Politics in Taiwan- Party Change and the Democratic Evolution of Taiwan, 1991-2004*. (Oxon: The Routledge, 2005), 27

<sup>41</sup> Ibid. 128

mainland increased 0.48 percent to 1.17 percent in the time of 1985-91.<sup>42</sup> During the same time, Taiwan's trade surplus with Mainland China accounted for 27 percent of its global trade surplus. However, after Lee became the first elected president in 1996, he claimed the new economic policy towards the mainland termed "No Haste, Be Patient" to restrict Taiwanese capital flow to Mainland China. This policy decreased the new Taiwanese investments to the Mainland market albeit not all economic connections were interrupted. Lee's approach of disconnecting the economic ties between Taiwan and Mainland China was driven by his concern about Taiwan's asymmetric overdependence on the mainland might threaten the island's security and further empower the CPC to achieve political goals by imposing economic sanctions on its opposite powers in Taiwan.<sup>43</sup> Instead of promoting trade with its opposite side of the Taiwan Strait, Lee focused on the South Asian market by implemented a "Southward policy", and involved Taiwan in globalization through multilateral frameworks of APEC and WTO.<sup>44</sup> Taiwan had lifted economic restrictions on overseas economic exchanges in 1988 that had energized Taiwan's economy. However, Lee's political agenda of advocating for the de facto independence of Taiwan contributed to his restrictive economic policy towards Mainland China. In 1999, Lee abandoned the KMT's party ideology of pro-engagement with Mainland China and developed a new perspective of the "two state theory" to interpret cross-Strait relations. Many factors either from the outside that America's redirection to accept "One China" principle and Mainland China's pressure to postpone official meetings, as well as Lee's motivation to enhance Taiwan's

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<sup>42</sup> Robert F. Ash and Y. Y. Kueh, 717

<sup>43</sup> Booker CK Liaw. "State and business in Taiwan's economic diplomacy under the Lee Teng-hui administration and the implication for current cross-Strait relations," *Cambridge Review of International Affairs*, no.29 (2016).

<sup>44</sup> Sungmoon Kim. Hsin-wen Lee. 2018. "Reimagining Nation and Nationalism in Multicultural East Asia".

international legal status since 1988 created a deadlock between the two sides of the Taiwan Strait.<sup>45</sup>

Ma Ying-jeou's victory in the 2008 presidential election is the second time for the Kuomintang (KMT) to take office in Taiwan. Few months after Ma inaugurated, a global financial crisis after the American real estate bubble collapse forced Taiwan enter recession. This allowed Taiwan to see a possible to offset losses from American markets by re-engaging economic ties with the Mainland market.<sup>46</sup> Ma's pragmatic and stable rapprochement policy towards the Chinese mainland built a solid cross-Strait relationship under the auspices of economic prosperity. In addition, Ma's confirmation on the 1992 Consensus favored Beijing's position on resisting the independence in Taiwan, albeit both sides had different interpretations on cross-Strait relations.<sup>47</sup> The cross-Strait relations had become stable under his principle for cross-Strait relations of "no independence, no unification, no use of force" to maintain the status quo.<sup>48</sup> Likely to Ma's economic policy which promoted people-to-people contacts, he also restored a semi-official channel for communications at the political level. The re-engagement policy allowed the CPC to see a potential opportunity to unify Taiwan to itself.

The first achievement accomplished under Ma's administration was opening three direct links of trade, postal, air and shipping services across the Taiwan Strait which promoted grassroots communications.<sup>49</sup> The number of Taiwanese people visited in Mainland China had increased from 439 thousand to 549 thousand since 2008 to 2015. During the same time, the

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<sup>45</sup> Neng-Shan Lin. Lee Teng-hui's "Two-State" Theory: Perceptions and Policy Change. 2011

<sup>46</sup> Frank Myard, National Identity and Economic Interest, 174

<sup>47</sup> Jean Pierre Cabestan, and Jacques deLisle, *Political Changes in Taiwan under Ma Ying-jeou- Partisan Conflict-Policy Choices, External Constraints and Security Challenges*, ed. Fu-kuo Liu. (Oxon: Routledge, 2014), 142

<sup>48</sup> Mainland Affairs of Council. "Taiwan's renaissance". Last modified February 14, 2018.

[https://www.mac.gov.tw/en/News\\_Content.aspx?n=DC4471DB1EB32BE4&sms=F1302E350C43D3C0&s=D71E79A6B100FC0F](https://www.mac.gov.tw/en/News_Content.aspx?n=DC4471DB1EB32BE4&sms=F1302E350C43D3C0&s=D71E79A6B100FC0F)

<sup>49</sup> Ibid. 143

number of Mainlanders visited in Taiwan had increased dramatically from to 30 thousand 414 thousand.<sup>50</sup> Under Ma's first term, 21 commercial agreements were planned to reach for both sides of the Taiwan Strait.<sup>51</sup> Besides, a significant progress made by Ma Ying-jeou to reinforce economic relations with the Chinese mainland is the signature of ECFA. This economic framework built a foundation for cross-Strait free trade and especially for service trade.<sup>52</sup>

However, the eruption of public discontent along with processing cross-Strait economic agreements had disturbed Ma's second term. His popularity rate declined from 58.45 percent to 51.6 percent from 2008 to 2012 presidential election, while the popularity rate for the DPP increased from 41.55 percent to 45.64 percent. Ma's pro-one China strategy of integrating Taiwanese economy into the Mainland market failed to fulfill his promises of achieving the economic prosperity for Taiwan. Although the declining economy and the increasing unemployment in Taiwan cannot explain the economic interdependence for the two sides of the Strait is the reason for Taiwan's economic stagnations, Taiwanese people had publicly resisted the opposite side of the Taiwan Strait to threaten their survival interest of economic security.

The rapprochement policy adhered to the One-China policy is also in line with Ma's cultural policy of sinicization.<sup>53</sup> This cultural policy emphasized the economic contributions that Mainlanders made for the prosperity of Taiwan's economy, and embedded Taiwanese cultures into Chinese cultures with meriting the shared values between Taiwan and Mainland China. He also stressed the superficial role of Chinese cultures, and viewed Taiwanese culture as a part of

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<sup>50</sup> Mainland Affairs of Council. "Cross-Strait economic exchanges". Last modified February 14, 2018. <https://ws.mac.gov.tw/001/Upload/OldFile/public/data/97115371271.pdf>

<sup>51</sup> Ibid. 144

<sup>52</sup> Jean-Francois Dupre, *Routledge Research on Taiwan: Culture politics and Linguistic Recognition in Taiwan*. (Oxon: Routledge, 2017), 132

<sup>53</sup> Jean Pierre Cabestan, and Jacques deLisle, *Political Changes in Taiwan Under Ma Ying-jeou- Partisan Conflict*, 132

them. Ma's sinicization also portrayed the DPP's policy as de-sinicization which conducted a de-Taiwanese process, but not really advocated for nativization. He used this rhetoric as a tactic to consolidate the Blue camp's and swing voters' support without dividing the civil society.<sup>54</sup>

Cultural exchanges across the Taiwan Strait also increased under the Ma administration, for example, the Cross-Strait Cultural Industries Fair and other official meetings expanded education cooperation on education and cultural industries.<sup>55</sup> Therefore, binding Taiwanese cultures with the extensive Chinese cultures is consistent with his economic ambition to integrate the economy of Taiwan into the Mainland market. However, the radical promotion of sinicization in his second term is a step to fight against the public opinion as the decreasing proportion of the Taiwanese who have an exclusive Chinese identity.<sup>56</sup> In all, Taiwan's economic stagnation along with Ma reinforced economic rapprochements with Mainland China, as well as the public's discontent for Ma's pro-China cultural policy fostered Taiwanese people's unfavorable attitudes to Mainland China.

#### **4.1.2 The Democratic Progressive Party**

The Democratic Progressive Party (DPP) is different from the KMT because the DPP advocates for the independence of Taiwan. Chen Shui-bian put the DPP's party ideology into practice in a cross-Strait policy in the 2000 presidential election. Chen's initial cross-Strait was termed "new middle road," which aimed to maximize voters' support with appeasing the radical supporters who leaned toward the independence of Taiwan, as well as the swing voters. After he won this election, Chen Shui-bian renewed the cross-Strait policy into "Five Notes" which

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<sup>54</sup> Ibid. 122

<sup>55</sup> Lin Gang, and Weixu Wu, *Taiwan and China: Fitful Embrace*, ed. Lowell Dittmer. (America: University of California Press, 2017), 79

<sup>56</sup> Ibid. 132

became more favorable for Beijing.<sup>57</sup> In dealing the cross-Strait economic relations with Mainland China, Chen's economic policy towards Mainland China was termed "active opening and effective management." This economic policy inherited his predecessor's position of preventing Taiwan from over-depending on the Mainland market.<sup>58</sup> However, this policy received little support from the public since many private investors had already invested in Mainland China. In 2002, the Chinese mainland had become the largest market for Taiwan's exports. Unlikely to many Taiwanese business people who mainly invested in manufacturing industries under the Lee administration, there was an increase number of Taiwanese people invested in semi-conductor industries in the Mainland market. The further restrictions on these semiconductors industries imposed by Chen did not halt the process of technological transformations from Taiwan to Mainland China.<sup>59</sup> Although these restrictions were not lifted, he had made some small progresses to reinvigorate economic ties with the Chinese mainland in his first term. For instance, he opened "three mini links" to reinvigorate economic contacts with the opposite side of the Strait in 2001. However, all these economic progresses made by Chen did not indicate his redirection to engage with Mainland China, but for maximizing the number of his supporters in the forthcoming election. In August 2002, the political tensions between the two sides of the Taiwan Strait escalated because of his statement of "Taiwan and the nation on the other side of the Taiwan Strait, China, are two nations" (*yibian yiguo*).<sup>60</sup> This violated the bottom line of "One China" principle for the Chinese authorities.

Few months before Chen inaugurated for his second term, he changed his cross-Strait

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<sup>57</sup> Jens Damm, Gunter Schubert. *Taiwanese Identity from Domestic, Regional and Global Perspectives*, ed. Gunter Schubert, Stefan Braig. (UK: Transaction Publishers, 2007), 8

<sup>58</sup> Szu-Yin Ho, Tse Kang Leng, "Accounting for Taiwan's Economic Policy Towards China." *Journal of Contemporary China*, no.41. 2004

<sup>59</sup> Ibid.

<sup>60</sup> Gunter Schubert, Stefan Braig, *Taiwanese Identity from Domestic, Regional and Global Perspectives*, 9

position with renewing the “One China” principle to “one principle and four issues” again. The “one principle” is for the peaceful cross-Strait relations, while the four issues were “establishment of a mechanism for negotiation,” “negotiations based on quality and reciprocity,” “establishment of political relations,” and “prevention of military conflicts.”<sup>61</sup> However, that was not the end. He repeated his pledge to the “Five Notes” in his inaugural speech in May 2004. However, Taiwan’s economic ties with Mainland China had not been destroyed by Chen’s indeterminate positions, since the direct cross-Strait flight in 2005 for celebrating the Chinese New Year, but the Chinese authorities distrusted Chen any more. Moreover, all these rhetorical changes were in accordance with Chen’s advocacy for Taiwanese nationalism. He started cultural constructions mainly through revising historical learning to be Taiwanese-centred, and promoting *Minnanyu* to be the national language for Taiwan.<sup>62</sup>

When the DPP retook office after the 2016 presidential election, the cross-Strait relationship has been exposed to a great uncertainty under the Tsai administration once again. Tsai Ing-wen’s cross-Strait is indeterminate exactly as her DPP predecessor, Chen Shui-bian. After the DPP failed for the 2012 presidential election, the DPP started to revise its cross-Strait policy. Before she won the 2016 presidential election, she gave a speech at the Center for Strategic and International Studies (CSIS) that proclaimed Taiwan would maintain the status quo with Mainland China if she was elected. In other words, she would not advocate for the de jure independence of Taiwan.<sup>63</sup> After Tsai won, she changed her position on cross-Strait relations in an interview with the pro-DPP newspaper of *Liberty Times*. Tsai clarified her position on the

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<sup>61</sup> Ibid.

<sup>62</sup> Ibid. 12

<sup>63</sup> Kyle Churchman, “Cross-Strait Relations in the Era of Tsai Ing-wen: Shelving Differences and Seeking Common Ground?” *Center for the National Interest*, October 2016, 6. [https://187ock2y3ejr34z8752m6ize-wpengine.netdna-ssl.com/wp-content/uploads/2016/10/Churchman\\_Official-1.pdf](https://187ock2y3ejr34z8752m6ize-wpengine.netdna-ssl.com/wp-content/uploads/2016/10/Churchman_Official-1.pdf)

1992 Consensus that the ARATS and the SEF did meet and negotiated in 1992 with upholding the principle “shivering differences and seeking commons” (*qiu tong cun yi*). She further stated that she respected the historical fact that two sides’ meeting reached some common understandings and acknowledges.<sup>64</sup> That statement is an important aspect of Tsai’s interpretations for the “common political foundation” between Taiwan and Mainland China. However, the CPC’s interpretation for cross-Strait political foundation is confirming the 1992 Consensus as well as upholding the “One China” principle. Although President Tsai intended to appease Mainland China in her May 20 inaugural speech with asserting “maintaining the status quo of peace and stability,” she did not give any explanations for the 1992 Consensus or the “One China” principle which provoked the Chinese authorities to suspend some cross-Strait links.<sup>65</sup>

Tsai Ing-wen’s position on cross-Strait also influences Taiwan’s economic policy towards the Chinese market. The DPP has always warned the public about the long-term risks of increasing economic and financial exchanges with the Chinese mainland. This has been inherited by Tsai Ing-wen. Unlikely to her predecessor, Tsai has not initiated any economic or political agreements to reinforce the economic interdependence between Mainland China and Taiwan. One reason for Tsai’s cold attitude to integrating the economy of Taiwan to Mainland China is the lessons learned from Ma Ying-jeou’s second term. It had been clarified that Ma’s racial initiatives to increase the cross-Strait economic interdependence arose Taiwanese people’s antagonism. Another reason is that many agreements had been negotiated or practiced in Ma’s term, so there is little room for Tsai to create new agreements. Therefore, Tsai Ing-wen seeks to

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<sup>64</sup> Ibid. 9

<sup>65</sup> Alan, D. Romberg, “*Tsai Ing-wen Takes Office: A New Era in Cross-Strait Relations*,” *China Leadership Monitor*, no.50, May 2016, 1-34. <https://www.stimson.org/sites/default/files/file-attachments/Tsai-Ing-wen-Takes-Office-New-Era-Cross-Strait-Relations.pdf>

reduce the overdependence of Taiwan's economy on the Mainland market through implementing the New Southbound Policy. This southward policy aims to increase economic contacts and people-to-people contacts with South Asian countries which services for the goal of diversifying Taiwan's trade partners and decreasing the overdependence of Taiwan's economy on the Mainland market.<sup>66</sup>

The New Southbound Policy had made some achievements of promoting the prosperity of Taiwan's economy. The number of visitors from those southward countries to Taiwan increased to 2 million in 2017.<sup>67</sup> However, the number of visitors from these countries is much lower than the number of Mainland visitors to Taiwan as it is 5.87 million for Mainland visitors in the same year.<sup>68</sup> Besides, diversifying service industries with South Asian countries cannot offset losses from the disintegration of Taiwan's economy to the Mainland market. Tsai Ing-wen's cultural policy is also in line with the New Southbound Policy that upholds the political goal of building a cultural network within the South Asian region and reinforcing people-to-people contacts.<sup>69</sup> The Tsai administration committed to enhance the soft power of Taiwan and increase cultural interactions with other nations, as well as diversify local cultures.<sup>70</sup>

In all, Taiwan's position on cross-Strait relations is not only different under two ruling parties of the KMT and the DPP, but also changes for a same party in different time. Thus, Taiwan's economic policy towards Mainland China serves for the political elites' political

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<sup>66</sup> Kyle Churchman, 12

<sup>67</sup> Office of the President. Last modified March 1, 2018. <http://www.president.gov.tw/NEWS/23166>

<sup>68</sup> Mainland Affairs Council. Last modified February 2018.

[https://www.mac.gov.tw/News\\_Content.aspx?n=2C28D363038C300F&sms=231F60B3498BBB19&s=8DC3FF46527E63EB](https://www.mac.gov.tw/News_Content.aspx?n=2C28D363038C300F&sms=231F60B3498BBB19&s=8DC3FF46527E63EB)

<sup>69</sup> Bonnie S. Glaser, Matthew P. Funaiole, and Emily Jin, "Unpacking Tsai Ing-wen's New Southbound Policy," *The Diplomat*, Last Modified April 1, 2017. <https://thediplomat.com/2017/04/unpacking-tsai-ing-wens-new-southbound-policy/>

<sup>70</sup> Taiwan Today. "Tsai Vows to Strengthen Soft Power, Expand Cultural Exchanges," Last modified July 3, 2017. <https://taiwantoday.tw/news.php?unit=2,6,10,15,18&post=117769>

concern. Although Taiwan's economic policy still has restrictions on economic exchanges between Taiwan and the mainland, this political divergence cannot halt the increase of economic interdependence between the two sides of the Strait. So far, Tsai has not publicly embraced the 1992 Consensus, which leaves an uncertainty for the future cross-Strait relations in the next two years of her term, as well as for the 2020 presidential election.

## 4.2 Beijing

The Communist Party of China (CPC) has promoted Taiwan to peacefully reunify into the mainland since 1981, exemplifying by establishing the so-called Three Links of direct “commercial,” “postal,” and “transportation” across the Taiwan Strait.<sup>71</sup> Although Beijing's political agendas changed regarding Taiwan's ruling parties, the bottom line of “One China” principle stays unchanged. The pursuit of peaceful reunification also underlies in Mainland China's Taiwan policy.

Mainland China expects the economic integration to lead to a political reunification. Under Lee's term, in response to his southward policy, the CPC developed a strategy of maneuvering the public to impose pressure on officials (*yi min bi guan*), and maneuvering the business people to impose pressure on officials (*yi shang wei zheng*).<sup>72</sup> This is in accordance with Beijing's intention of cultivated spillover effect of economic interdependence to the conducive political assimilation from the functional perspective. After Lee came up with the “two state theory”, the CPC postponed official talks based on Straits Exchange Foundation in Taiwan (SEF) on the Taiwan side and Association for Relations Across the Taiwan Strait (ARATS) on Mainland

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<sup>71</sup> Yunhan Chu, Larry Diamond, Kharis Templeman. *Taiwan's Democracy Challenged- The Chen Shui-bian Years*, ed. Tse-Kang Leng, (London: Lynne Rienner, 2016), 313

<sup>72</sup> State and Business in Taiwan's economic diplomacy.

China side. The turning point of cross-Strait relations was Chen renewed “One China” principle into “one principle and four issues” in 2004. Then, Beijing changed its Taiwan policy with an priority of preventing the de jure independence of Taiwan. When Chen changed his tone on cross-Strait relations to be favorable for Beijing once again, the Chinese authorities had been distrusted on him and passed the Anti-Secession Law in 2005.<sup>73</sup>

When Ma Ying-jeou ruled the government, his adherence to this principle was the foundation for him to maximize economic benefits through reengaging with Mainland China. Ma Ying-jeou’s pro-one China policy allowed Beijing to shift its political agenda from prevention of de jure independence to the promotion of “political agreements”. On December 31, 2008, President Hu Jintao renewed his former “four points” policy towards Taiwan to be “six points”. Then, the Chinese authorities implemented this policy with increasing economic contacts for the both sides of the Taiwan Strait. Beijing set the priority of promoting economic, cultural, and social exchanges with upholding “One China” principle in 2008. Mainland China and Taiwan signed 18 agreements between ARATS and SEF to expand civil contacts and especially promote student exchanges and scholar contacts. Another cross-Strait improvement achieved by the Chinese authorities was encouraging political dialogues under the logic of “economic first and politics later.” Moreover, Mainland China provide more room for Taiwan in international affairs. This allowed Taiwan to enhance its role in regional organizations.<sup>74</sup>

The cross-Strait relations have remained stable since President Xi Jinping took the leadership. President Xi continued to carry on the peaceful policy towards Taiwan with upholding “One China” principle and prioritizing the prevention of de jure independence rather

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<sup>73</sup> Gunter Schubert, Stefan Braig, *Taiwanese Identity from Domestic, Regional and Global Perspectives*, 10

<sup>74</sup> Lin Gang, “*New Dynamics in Cross-Taiwan Strait Relations-How far can the rapprochement go?*”, 70

than radically promoting reunification.<sup>75</sup> He emphasizes the center of Beijing's policy towards Taiwan is to preserve the "One China" principle as a cornerstone. He also involves reunification between Taiwan and Mainland China as a part of "Chinese dreams."<sup>76</sup> The successful meeting between Xi and Ma on 7 November 2015 also reinvigorated high-political contacts. Although the economic ties were fostered compared to the former Chen administration, Ma Ying-jeou's refusal to bring the spillover effect of economic convergence to higher political interactions hindered the CPC's political intention to unification. This is difficult for the CPC to bet on remotely political assimilation, especially under the new DPP government which advocates reducing economic overdependence on the Mainland market. One month after Tsai Ing-wen's inaugural speech, the Chinese authorities responded Tsai's ambiguous recognition of the 1992 Consensus as the connotation in cross-Strait relations to suspend the semi-official SEF-ARATS and the official MAC-TAO channel. In Tsai's interregnum, Beijing tried to leverage Tsai Ing-wen's position on the 1992 Consensus from different aspects. Beijing manoeuvred its economic power to reduce Chinese visits in Taiwan. Besides, the CPC advocated the World Health Assembly to uphold the "One China" principle when the WHO invited Taiwan as an observer in that Assembly.<sup>77</sup> Mainland China also imposed limitations on Chinese students to attending Taiwanese universities. All these show the CPC's inflexibility policy towards the new DPP government. However, the CPC continues its soft policy towards Taiwan nowadays. Beijing established 31 measures to provide Taiwan businesspeople, workers and students equal accesses and benefits as Mainlander to invest, work, and study on Mainland China that allows them to realize Mainland China can promote their wellbeing.<sup>78</sup>

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<sup>75</sup> Jing Huang, and Lowell Dittmer, "*Taiwan and China- Fitful Embrace*," 243

<sup>76</sup> Ibid.246

<sup>77</sup> Kyle Churchman, 16

<sup>78</sup> The South China Morning Post. Last modified March 1, 2018. "Taiwanese Given 'Equal Status' on China's

The Chinese authorities usually manoeuvre the economic benefits over political agendas. Some scholars had argued the Chinese authorities' economic policies toward Taiwan are coercive economic diplomacies. Tanner presumed three level coercive economic diplomacies, from the most coercive level of publicly threatening Taiwan's trades with the Mainland market to the least coercive level of increasing cross-Strait economic ties would build a large market with shared interests for both sides of the Strait.<sup>79</sup> This argument of Mainland China's coercive diplomacy is true to some extents. For example, the CPC responded Lee Teng-hui's "two state theory" and Tsai Ing-wen's unclear position on cross-Strait issues to suspend semi-official links. The Chinese authorities also leveraged its economic muscles to cancel small-scale business contracts for the two sides of the Strait. Besides, to punish Tsai Ing-wen's ambiguous position the 1992 Consensus, Mainland China also hindered Taiwanese business people to operate businesses in the Mainland market.<sup>80</sup> However, these all derive from the CPC's insistence on the "One China" principle and an integrated sovereignty between Taiwan and Mainland China. The recent benefits provided by the Chinese authorities for the Taiwanese show the CPC's shifts from coercive at the beginning of the Tsai administration to soft now, which is consistent with its intention of peaceful reunification of Taiwan into Mainland China. Besides, Mainland China's pledge of peaceful strategy determines that the CPC will not risk to coercively force Taiwan to reunify into Mainland China. Furthermore, the increasing economic interdependence for both sides of the Strait are reciprocal, since the high dependence of Taiwan's economy on Mainland China helps Taiwan to boost economic prosperity.

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Mainland, but is Beijing Just Trying to Buy Their Support?"

<http://www.scmp.com/news/china/policies-politics/article/2135291/taiwanese-given-equal-status-chinas-mainland-beijing>

<sup>79</sup> Murray Scot Tanner, "Chinese Economic Coercion Against Taiwan-A Tricky Weapon to Use." (America: RAND Cooperation, 2007), 5

<sup>80</sup> Ibid. 26

Although offering economic benefits and cultivating economic spillover effect is an appropriate choice for the Chinese authorities, Mainland China should have more concern about whether leveraging the economic spillover effect on political fields is worthy. Some argued that it is difficult for the CPC to transform the cross-Strait economic interdependence into a weapon. This can be proved by cross-Strait relations in Ma's second term. Ma accomplished a great achievement for integrating Taiwan's economy to the larger Chinese market. However, this is at the expense of the rising antagonism and reluctant sentiments on Mainland China in the Taiwanese public. Tung argued that even under the hostile time of 1995-1996 and 1999-2000 for Taiwan and Mainland China, the CPC ineffectively exerted economic sanctions for leveraging its economic power. In Tsai's term, Mainland China's relatively coercive economic diplomacy has not achieved the expected results of forcing Tsai to confirm the 1992 Consensus and publicly embrace the "One China" principle. Therefore, the following part will hint the Chinese authorities what factors influence Taiwanese people's attitudes to cross-Strait relations, as well as prove the effectiveness of economic factors to influence Taiwanese people's preferences for the unification and independence issues.

## **Chapter V Economic Convergence and Uncongenial Political Cultures**

The previous chapter discussed how the two-side governments' positions and the changes of their policies influence cross-Strait economic exchanges. This chapter will adopt the multinomial logistic regressions to investigate how the discordant trends of economic convergence and political divergence show at the public level. Again, the hypotheses this chapter will testify are whether political predispositions or people perceived changes of economic interests have an impact on Taiwanese people's stances on unification and independence issues.

**Table 5:** The Taiwanese's Perceived Changes of Self-Interest and Taiwan's Status Issues

		Pro- unification (%)	Pro- independence (%)	Maintain status quo (%)	N	Chi-square test
2008	Better	26.3	9.3	64.4	236	Chi2 =161.22 d.f. = 4 p < 0.001
	Worse	5.8	48.3	46.0	346	
	The same	14.2	20.9	64.8	990	
	Total	14.2	25.2	60.6	1,572	
2012	Better	24.1	9.3	66.7	108	Chi2 = 54.92 d.f. = 4 p < 0.001
	Worse	6.7	43.0	50.3	165	
	The same	13.8	22.6	63.6	1,344	
	Total	13.7	23.8	62.5	1,617	
2016	Better	25.0	18.5	56.5	92	Chi2 = 29.79 d.f. = 4 p < 0.001
	Worse	13.5	41.7	48.3	259	
	The same	13.0	29.6	57.4	1,189	
	Total	13.2	31.0	55.8	1,540	

**Table 6:** The Taiwanese's Perceived Changes of Self-Interest and Taiwan's Status Issues

		Pro- unification (%)	Pro- independence (%)	Maintain status quo (%)	N	Chi-square test
2008	Better	22.9	10.1	67.0	704	Chi2 =258.08 d.f. = 4 p < 0.001
	Worse	3.8	48.5	47.7	476	
	The same	12.4	23.8	63.8	340	
	Total	14.5	25.2	60.3	1,520	
2012	Better	20.2	10.6	69.2	671	Chi2 = 155.83 d.f. = 4 p < 0.001
	Worse	5.4	47.3	47.3	205	
	The same	10.2	30.4	59.4	648	
	Total	13.9	24.0	62.1	1,617	
2016	Better	19.2	17.6	63.2	370	Chi2 = 68.49 d.f. = 4 p < 0.001
	Worse	9.1	43.9	47.0	438	
	The same	13.5	31.2	55.3	669	
	Total	13.6	31.0	55.8	1,477	

*Table 5* and *Table 6* above show the Chi-square test for Taiwanese perceived self-interest, as well as their perceived changes of national interest corresponding to their stances on the unification and independence issues in 2008, 2012, and 2016. Among Taiwanese people who viewed the increasing economic interdependence between Taiwan and Mainland China benefited their wellbeing and the aggregated economy, the percentage of them who preferred to maintain

the status quo was high in all three years. This result also showed among people who perceived the gradual interdependence between the two economies had no impact on microeconomic conditions and the aggregated economy in all surveys. Among people who viewed that the increasing integration of cross-Strait markets hurt their microeconomic conditions and the aggregated economy of Taiwan, the percentage of those people who were pro-unification was low in all three years, but the percentage of them declined year by year. Among people who perceived the gradual economic integration between the two sides of the Strait brought nothing changes on their wellbeing, the percentage of those people who were pro-unification declined from 2008 to 2016. Therefore, Taiwanese people's cost-and-benefit calculations on personal well-being and the aggregated economy of Taiwan are valid to explain their attitudes to the specific political issue as Taiwanese people prefer for the status quo following the increasing economic integration between Taiwan and Mainland China.

*Table 7* below shows the Chi-square test for the relationship between Taiwanese people's perceived changes of self-interest (microeconomic conditions) and their perceived changes of national interest (the aggregated economy of Taiwan). In all three years, among people who saw the increasing interdependence between cross-Strait economies, the percentage of these people who also recognized the aggregated economy of Taiwan was better off was high, but at a declining trend that fewer people view in that way. In 2012 and 2016, people who viewed the increasing economic integration between Taiwan and Mainland China made their microeconomic conditions better worse or the same as before, the large proportion of them tended to view the aggregated economy of Taiwan change in the same direction of better, worse, or stayed unchanged. However, this trend did not show in 2008. As people who thought the increasing economic interdependence across the Strait had no impact on their microeconomic conditions,

the proportion of them who viewed Taiwan's national economy was better off was the largest.

**Table 7:** The Taiwanese's Perceived Changes of Self-Interest and National Interest

		National interest- <b>Better (%)</b>	National interest- <b>Worse (%)</b>	National interest- <b>The same (%)</b>	N	Chi-square test
2008	Self-Interest- <b>Better</b>	93.4	2.6	4.0	229	Chi2 = 774.34 d.f. = 4 p < 0.001
	Self-Interest- <b>Worse</b>	5.1	84.9	10.0	350	
	Self-Interest- <b>The same</b>	49.1	17.9	33.0	890	
	Total	45.5	31.4	20.1	1,469	
2012	Self-Interest- <b>Better</b>	90.7	0	19.3	108	Chi2 = d.f. = 4 p < 0.001
	Self-Interest- <b>Worse</b>	6.3	55.7	40.0	158	
	Self-Interest- <b>The same</b>	44.1	9.7	46.2	1269	
	Total	52.6	13.7	42.7	1,535	
2016	Self-Interest- <b>Better</b>	73.3	8.9	17.8	90	Chi2 = d.f. = 4 p < 0.001
	Self-Interest- <b>Worse</b>	5.1	64.8	30.1	256	
	Self-Interest- <b>The same</b>	25.5	23.1	51.4	1,163	
	Total	24.9	29.3	45.8	1,509	

After providing a basic knowledge of variables, *Table 8-10* shows the multinomial logistic regression results of the effect of respondents' cost-benefit calculations and the "symbolic politics" factors on their preferences for the independence-unification issues. These regression models prove that Taiwanese people's cost-and-benefit calculations on microeconomic and macroeconomic conditions, as well as political predispositions of party affiliation and ethnic identity, have an impact on their stances on unification and independence issues in the 2008 and 2016 presidential election. Taiwanese people's cost-and-benefit calculations neither on microeconomic conditions nor the aggregated economy of Taiwan had an impact on their stances on unification and independence issues in the 2012 presidential election.

In the 2008 presidential election survey, Taiwanese people who viewed that the increasing integration of Taiwan's economy to the Mainland market hurt the national economy of Taiwan, they were more likely to prefer the maintenance of the status quo and Taiwan's independence in comparison with those who viewed that the increasing cross-Strait economic contacts benefited

Taiwan's national economy. Besides, Taiwanese people who perceived that the increasing economic interdependence between Taiwan and Mainland China brought no changes for the aggregated economy of Taiwan, they more likely to be pro-independence compared to those who perceived the cross-Strait economic interactions benefited the aggregated economy of Taiwan. People who had an ethnic identity of Taiwanese or a dual identity of Chinese and Taiwanese, they were more likely to had the preference of maintaining the status quo and the independence of Taiwan in comparison with people who were self-identified as Chinese. Likewise, Taiwanese people whose father had an ethnicity of Hakka were more likely to be pro-independence compared to those people whose father had an ethnicity of Mainlander. This result could be related to the Chen Shui-bian's cultural policy of promoting cultures of ethnic minorities in Taiwan, which might influence the Hakka people to prefer the political ideology of the DPP, and further to be pro-independence. Taiwanese people who had a party affiliation with the DPP were more likely to be pro-independence while non-partisan people were more likely to prefer the maintenance of the status quo and the independence of Taiwan compared to those people who had a party affiliation with the KMT.

In the 2012 presidential election survey, people who never visited Mainland China were more likely to be pro-independence than those who visited Mainland China before. Female people were more likely to be pro-independence and in favor of the maintenance of the status quo than male people. Taiwanese people who were self-identified as Taiwanese, they were more likely to be pro-independence or in favor of the maintenance of the status quo in comparison with those people who were self-identified as Chinese. People who had a dual identity of Taiwanese and Chinese, they were more probable to have the preference for maintaining the status quo than those who had a Chinese identity. The Taiwanese who had a party affiliation with

the DPP, they were more likely to have the preference for maintaining the status quo or the independence of Taiwan compared to people who had party affiliation with the KMT. Non-partisan people were more likely to be in favor of the maintenance of the status quo compared to those who had party affiliation with the KMT.

In the 2016 presidential election survey, people who perceived that the increasing economic interactions between Taiwan and Mainland China derogated the aggregated economy of Taiwan, they were likely to be in favor of the independence of Taiwan. People who earned a household income between 69001RMB and 80000RMB, they were more unlikely to be pro-independence and in favor of maintaining the status quo. Compared to male voters, female voters were more likely to be in favor of maintaining the status quo and independence. People who were aged above 29 were more unlikely to be pro-independence or prefer the status quo compared to young people aged between 20 to 29. Compared to people who received the highest degree at the primary school level, people who received the highest degree at the high school level or the post-secondary level were more likely to prefer the maintenance of the status quo and the independence of Taiwan. People who were self-identified as Taiwanese were more likely to be pro-independence and have the preference for maintaining the status quo than those people who were self-identified as Chinese. However, people who had a dual identity of Chinese and Taiwanese were more likely to have the preference for maintaining the status quo rather than prefer the independence of Taiwan in comparison with people who were self-identified as Chinese. People who had a party affiliation with the DPP and people who were non-partisan were more likely to prefer the maintenance of the status quo and Taiwan's independence compared to people who had a party affiliation with the KMT.

In all three presidential election surveys, party affiliation had a significant impact on

Taiwanese people's preferences for the unification-independence issues that people who had party affiliation with the DPP or had no party affiliation with any parties were more probable to be pro-independence. Campbell developed a group theory that stated the connection between voters and a party or a group they affiliate with can shape their political values and interpretations of specific issues.<sup>81</sup> Therefore, people who have party affiliation with the DPP tend to accept the DPP's political goal of the independence of Taiwan. The political predisposition of ethnic identity also had a significant impact on Taiwanese people's stances on Taiwan's status issues in all three presidential elections. Also, people who had party affiliation with the DPP were likely to prefer to maintain the status quo. People who had a Taiwanese identity were more likely to be pro-independence. Besides, non-partisan people were more probable to have the preference for maintaining the status quo in all presidential elections or the independence of Taiwan in the 2012 and 2016 presidential elections, but only prefer the independence of Taiwan compared to those who favored the reunification of Taiwan to Mainland China. This can be explained by non-partisan people usually change their positions on political issues. Besides, the economic interactions between Taiwanese and Chinese people had no significant impact on Taiwanese people's stances on unification and independence issues in all three presidential elections. The reason for this result may be that people who participated in these surveys were those who were available to answer the questionnaires. People who visited Mainland China might be unavailable to participate in all surveys.

Taiwanese people's cost-and-benefit calculations on their microeconomic conditions had no significant effect on their preferences for the status issues of Taiwan in all three presidential elections. However, the Taiwanese's perceived impact of the increasing economic contacts

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<sup>81</sup> Angus Campbell, Gerald Gurin, and Warren E. Miller. *The Voter Decides.* (US: Row Peterson, 1954), 88

between Taiwan and Mainland China on the aggregated economy had a significant impact on their stances on the unification-independence issues in all three presidential elections. This proves that Downs's and Fiorina's claims that people vote for the new government in response to the fluctuations of personal wellbeing fail to explain Taiwanese people's self-interest considerations in the status issues of Taiwan. The significant effect of people's cost-and-benefit calculations on the aggregated economy of Taiwan in the 2008 and the 2016 presidential elections except for the 2012 presidential election. It is possible because the highly economic interdependence between Taiwan and Mainland China in Ma's first term allowed Taiwanese people to be less sensitive to the fluctuations of the national economy or personal wellbeing.

Some demographic factors, such as age had a significant impact on people's stances on Taiwan's status issues in the 2012 and 2016 presidential elections. People aged above 29 were more likely to be pro-unification in these two presidential elections compared to the young people. The economic benefits and job opportunities brought by the increasing economic integration between Taiwan and Mainland China may allow these people to be pro-unification. Also, in the 2012 and 2016 presidential elections, female voters were more likely to be pro-independence or prefer the maintenance of the status quo compared to their counterparts. This might be caused by the female candidate of Tsai Ing-wen in these two presidential elections. The victory of Tsai Ing-wen in the 2016 presidential election derived from the support of female voters, especially those who were non-partisan.<sup>82</sup> Therefore, female voters are more likely to support the Tsai administration and accept the political position of "maintaining the status quo of peace and stability" or the party ideology of the DPP to advocate for Taiwan's independence.

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<sup>82</sup>Xiaoying Liu. "台湾中间选民行为分析," 2017. <http://cdmd.cnki.com.cn/Article/CDMD-10269-1017081694.htm>

**Table 8:** The Multinomial Logistic Regression of the Taiwanese's Preferences for the Unification and Independence Issues in the 2008 Presidential Election

Base outcome = Pro-unification (= 1)	Maintaining the status quo (= 2)			Pro-independence (= 3)		
	Coef.	S.E.	RRR	Coef.	S.E.	RRR
Self-interest (Better = 0)						
Worse	-0.57	0.44	0.56	0.06	0.54	1.06
The same	0.15	0.24	1.16	0.40	0.38	1.49
National interest (Better = 0)						
Worse	1.18	<b>0.43**</b>	3.27	1.99	<b>0.47***</b>	7.31
The same	0.20	0.27	1.23	0.63	<b>0.34<sup>b</sup></b>	1.88
Visited Mainland China (Larger than 0 time = 0)						
0 time	0.20	0.22	1.22	0.23	0.29	1.26
Economic contact (Yes = 0)						
No	-0.02	0.29	1.02	0.01	0.39	0.99
Household Income (RMB) (below 36000 = 0)						
36001-47000	0.13	0.37	1.14	0.46	0.45	1.58
47001-58000	-0.23	0.36	0.79	-0.33	0.46	0.72
58001-65000	-0.12	0.39	0.89	0.38	0.46	1.46
65001-78000	-0.55	0.37	0.58	-0.78	0.49	0.46
78001-88000	-0.18	0.39	0.84	-0.38	0.52	0.68
88001-108000	-0.43	0.38	0.65	-0.38	0.47	0.68
108001-138000	-0.43	0.41	0.65	-0.15	0.52	0.86
138091-158000	-0.14	0.56	0.87	0.94	0.69	2.56
Above 158001	0.20	0.43	1.22	0.50	0.56	1.65
Gender (Male = 0)						
Female	0.15	0.20	1.16	0.05	0.25	1.05
Age (20-29 = 0)						
Above 29	-0.09	0.27	0.91	-0.24	0.34	0.78
Education (Primary = 0)						
High school	-0.42	0.36	0.66	-0.21	0.41	0.81
Post-secondary	-0.41	0.39	0.66	-0.18	0.46	0.84
Ethnic identity (Mainlander = 0)						
Taiwanese	2.01	<b>0.38***</b>	7.49	4.11	<b>1.07***</b>	60.98
Dual identity	1.05	<b>0.32**</b>	2.84	1.88	<b>1.06<sup>b</sup></b>	6.54
Father's ethnicity (Mainlander = 0)						
Taiwanese	0.03	0.28	1.03	0.68	0.55	1.97
Hakka	0.06	0.38	1.06	1.16	<b>0.64<sup>b</sup></b>	3.18
Often-used Language (Mandarin = 0)						
Minnan	-0.23	0.26	0.80	-0.21	0.34	0.81
Hakka	0.96	0.81	2.62	0.79	0.93	2.20
Mandarin and Minnan	0.24	0.29	1.27	0.08	0.37	1.09
Party affiliation (KMT = 0)						
DPP	0.39	0.34	1.48	1.69	<b>0.38***</b>	5.42
Non-partisan	0.66	0.26	1.94	0.91	<b>0.34**</b>	2.48
Threshold	0.14	0.60		-4.59	1.29	
N	1,114					
Pseudo R2	0.21					
d.f.	56					
p	p < 0.001					

p < 0.001 \*\*\* p < 0.01 \*\* p < 0.05 \* p < 0.1 <sup>b</sup> (two-tailed)

**Table 9:** The Multinomial Logistic Regression of the Taiwanese's Preferences for the Unification and Independence Issues in the 2012 Presidential Election

Base outcome = Pro-unification (= 1)	Maintaining the status quo (= 2)			Pro-independence (= 3)		
	Coef.	S.E.	RRR	Coef.	S.E.	RRR
Self-interest (Better = 0)						
Worse	0.45	0.54	1.57	1.02	0.71	2.79
The same	0.31	0.31	1.37	0.56	0.53	1.75
National interest (Better = 0)						
Worse	0.18	0.46	1.20	0.72	0.50	2.05
The same	-0.01	0.22	1.00	0.38	0.28	1.46
Visited Mainland China (Larger than 0 time = 0)						
0 time	0.45	<b>0.20*</b>	1.57	0.70	<b>0.26**</b>	2.02
Economic contact (Yes = 0)						
No	0.10	0.24	1.10	0.17	0.31	1.18
Household Income (RMB) (Below 25000 = 0)						
25001-36000	-0.03	0.39	0.97	0.40	0.46	1.49
36001-45000	-0.11	0.37	0.90	0.07	0.46	1.07
45001-55000	0.18	0.40	1.20	0.29	0.51	1.33
55001-64000	0.52	0.43	1.68	0.75	0.53	2.12
64001-75000	0.19	0.40	1.21	0.50	0.50	1.65
75001-87000	0.07	0.43	1.07	0.34	0.52	1.40
87001-100000	0.001	0.42	1.00	-0.11	0.53	0.90
100001-130000	0.11	0.38	1.11	0.16	0.48	1.17
Above 130001	0.13	0.38	1.14	0.52	0.48	1.69
Gender (Male = 0)						
Female	0.67	<b>0.19***</b>	1.95	0.91	<b>0.24***</b>	2.47
Age (20-29 = 0)						
Above 29	-0.45	0.29	0.64	-1.06	<b>0.34**</b>	0.35
Education (Primary = 0)						
High school	-0.16	0.35	0.85	-0.39	0.40	0.67
Post-secondary	-0.05	0.38	0.95	-0.41	0.45	0.66
Ethnic identity (Mainlander = 0)						
Taiwanese	1.00	<b>0.40*</b>	2.71	3.06	<b>1.06**</b>	21.32
Dual identity	0.66	<b>0.37<sup>b</sup></b>	1.93	1.48	1.07	4.41
Father's ethnicity (Mainlander = 0)						
Taiwanese	-0.13	0.27	0.87	-0.18	0.41	0.84
Hakka	-0.17	0.35	0.85	-0.09	0.52	0.91
Often-used Language (Mandarin = 0)						
Minnan	0.31	0.25	1.37	0.13	0.32	1.14
Hakka Han	0.43	0.52	1.53	0.56	0.71	1.76
Mandarin and Minnan	0.36	0.27	1.44	0.53	0.33	1.69
Party affiliation (KMT = 0)						
DPP	0.43	0.28	1.54	1.85	<b>0.33***</b>	6.36
Non-partisan	0.84	<b>0.28**</b>	2.31	1.15	<b>0.35**</b>	3.17
Threshold	-0.22	0.70		-3.83	1.35	
N	1,149					
Pseudo R2	0.17					
d.f.	56					
p	p < 0.001					

p < 0.001 \*\*\* p < 0.01 \*\* p < 0.05 \*, p < 0.1 <sup>b</sup> (two-tailed)

**Table 10:** The Multinomial Logistic Regression of the Taiwanese's Preferences for the Unification and Independence Issues in the 2016 Presidential Election

Base outcome = Pro-unification (= 1)	Maintaining the status quo (=2)			Pro-independence (=3)		
	Coef.	S.E.	RRR	Coef.	S.E.	RRR
Self-interest (Better = 0)						
Worse	0.25	0.45	1.28	0.37	0.60	1.44
The same	0.57	0.35	1.77	0.28	0.52	1.33
National interest (Better = 0)						
Worse	0.25	0.32	1.28	0.77	<b>0.39*</b>	2.16
The same	-0.17	0.25	0.85	0.42	0.32	1.52
Visit to Mainland (Larger than 0 = 0)						
0 time	-0.22	0.23	0.80	-0.24	0.29	0.78
Economic contact (Yes = 0)						
No	-0.29	0.29	0.75	-0.37	0.32	0.69
Household Income (RMB) (Below 28000 = 0)						
28001-39000	-0.01	0.43	0.99	-0.49	0.51	0.62
39001-49000	0.41	0.53	1.51	0.02	0.60	1.02
49001-59000	-0.27	0.45	0.76	-0.14	0.52	0.87
59001-69000	-0.30	0.41	0.74	-0.62	0.48	0.54
69001-80000	-0.75	<b>0.41<sup>b</sup></b>	0.47	-1.47	<b>0.50**</b>	0.23
80001-93000	-0.13	0.46	0.88	0.06	0.54	1.06
93001-111000	-0.24	0.41	0.78	-0.77	0.50	0.46
111001-141000	-0.23	0.45	0.79	-0.40	0.53	0.67
Above 141001	-0.27	0.42	0.85	-0.11	0.51	0.90
Gender (Male = 0)						
Female	0.62	<b>0.21**</b>	1.86	0.47	<b>0.25<sup>b</sup></b>	1.59
Age (20-29 = 0)						
Above 29	-1.10	<b>0.43*</b>	0.33	-1.93	<b>0.46***</b>	0.15
Education (Primary = 0)						
High school	0.78	<b>0.32*</b>	2.18	1.18	<b>0.39**</b>	3.25
Post-secondary	0.82	<b>0.36*</b>	2.27	1.47	<b>0.43**</b>	4.36
Ethnic identity (Mainlander = 0)						
Taiwanese	1.57	<b>0.38***</b>	4.81	3.69	<b>1.06**</b>	40.1
Dual identity	0.79	<b>0.34*</b>	2.21	1.33	1.07	3.80
Father's ethnicity (Mainlander = 0)						
Taiwanese	0.05	0.30	1.05	0.49	0.44	1.64
Hakka	0.16	0.38	1.18	0.20	0.54	1.22
Often-used Language (Mandarin = 0)						
Minnanyu	0.32	0.30	1.38	0.42	0.35	1.51
Hakka Han	-0.01	0.48	0.99	0.01	0.62	1.01
Madeiran and Minnanyu	0.47	0.29	1.60	0.39	0.35	1.48
Party affiliation (KMT = 0)						
DPP	0.77	<b>0.31*</b>	2.16	2.32	<b>0.37***</b>	10.18
Non-partisan	0.48	<b>0.24*</b>	1.62	1.01	<b>0.34**</b>	2.74
Threshold	-0.06	0.77		-3.39	1.37	
N	1,069					
Pseudo R2	0.21					
d.f.	56					
p	p < 0.001					

p < 0.001 \*\*\* p < 0.01 \*\* p < 0.05 \*, p < 0.1 <sup>b</sup> (two-tailed)

## Chapter VI Implications from the Tsai Administration

The close economic ties between Taiwan and Mainland China reinforced by Ma Ying-jeou has been derogated to some extent after the Democratic Progressive Party (DPP) retook office in May 2016. Mainland China continues to leverage its economic benefits to foster the spillover effect on the political convergence under the “One China” principle. Although Tsai Ing-wen publicly asserts her position on cross-Strait relations is “maintaining the status quo of peace and stability” between Taiwan and Mainland China, the party ideology of the DPP that advocates for the independence of Taiwan have posed a potential threat on expanding cross-Strait economic exchanges.

Taiwanese people attitudes to the incumbent government’s cross-Strait policy can indicate their cost-and-benefit calculations on economic wellbeing since the opposite positions between the KMT and the DPP that the KMT prefers for closer economic ties with Mainland China compared to the DPP. Therefore, this chapter continues to investigate how the effect of cost-and-benefit calculations and political predispositions based on the “rational choice” and “symbolic politics” theories on Taiwanese people’s attitudes to Tsai Ing-wen’s cross-Strait policy that reveals the political divergence at the public level. The hypotheses this chapter aims to testify the effect of the economic factor of Taiwan’s domestic economy and the political predispositions (party affiliation and ethnic identity) on the Taiwanese’s attitudes to Tsai’s Mainland policy.

*Table 11* below shows the Chi-square test for Taiwanese people’s perceived national interest and people’s attitudes toward Tsai Ing-wen’s cross-Strait relations. First, among Taiwanese people who perceived the domestic economy of Taiwan was better off than the last half year, a significantly large proportion of them was satisfied with Tsai’s policy towards Mainland China in all five surveys. Second, for people who perceived Taiwan’s economic

condition was worse than the previous six months, most of these people were satisfied with Tsai's cross-Strait policy in all surveys. Also, for the respondents who perceived the aggregated economy was better than the last half year, the proportion of people who were satisfied with the current cross-Strait policy towards Mainland China had decreased from May 2016 to September 2017. On the other hand, the percent of people who were dissatisfied with the current cross-Strait policy increased at a most significant proportion of 88.7 percent in May 2017. Therefore, Taiwanese people's perceived changes of Taiwan's domestic economy is relevant to their attitudes to Tsai Ing-wen's cross-Strait policy.

**Table 11:** Taiwanese People's Perceived Changes of National interest and Preferences for Tsai Ing-wen's Cross-Strait Policy

		Satisfied with Tsai's cross-Strait policy (%)	Dissatisfied with Tsai's cross-Strait policy (%)	N	Chi-square test
May 2016	Better	85.7	14.3	49	Chi2 = 81.55 d.f. = 2 p < 0.001
	Worse	37.0	63	260	
	The same	67.6	32.4	485	
	Total	58.7	41.3	794	
September 2016	Better	71.8	28.2	78	Chi2 = 136.15 d.f. = 2 p < 0.001
	Worse	19.1	80.9	434	
	The same	50.6	49.4	506	
	Total	38.8	61.2	1,018	
December 2016	Better	79.8	20.2	94	Chi2 = 163.32 d.f. = 2 p < 0.001
	Worse	20.6	79.4	499	
	The same	50.6	49.4	480	
	Total	39.2	60.8	1,073	
March 2017	Better	74.7	25.3	95	Chi2 = 181.01 d.f. = 2 p < 0.001
	Worse	13.7	86.3	459	
	The same	45.7	54.3	416	
	Total	33.4	66.6	970	
September 2017	Better	62.2	37.8	98	Chi2 = 115.31 d.f. = 2 p < 0.001
	Worse	13.8	86.2	419	
	The same	38.2	61.8	498	
	Total	30.4	69.6	1,015	

Then, the effect of the national interest of Taiwan's domestic economy and the political predispositions of ethnic identity and party affiliation on people's attitudes to Tsai Ing-wen's cross-Strait policy in the following binomial logistic regressions in *Table 12-13*. These binomial models proved the hypotheses that both the economic factor of national interest and political predispositions of party affiliation and ethnic identity have an impact on Taiwanese people's preferences for Tsai Ing-wen's cross-Strait policy.

The factor of Taiwan's domestic economy shows a significant effect on people's satisfaction with Tsai's Mainland China policy. Taiwanese people who perceived Taiwan's domestic economy performed worse than the last half year were likely to be dissatisfied with the incumbent government's cross-Strait policy in all surveys. This might due to the cross-Strait economic interactions are important for the prosperity of the domestic economic of Taiwan as Mainland China is the largest trade partner for Taiwan. Therefore, people who perceived the domestic economy of Taiwan was worse than the last half year, they were probably dissatisfied with Tsai Ing-wen's cross-Strait strategy of decreasing economic contacts with Mainland China. For those who had a party affiliation with the DPP, they were more probably to be satisfied with Tsai Ing-wen's cross-Strait policy for all five quarters. Party affiliation is an important political predisposition to influence the public's voting behaviors. As mentioned in the literature reviews, Wong concluded that non-swing voters voted for a candidate based on partisan affiliation. This research extended his research that non-swing people also support for the preferred candidate's political agendas. For those non-partisan people, except for May 2016, they were likely to be satisfied with the incumbent government's Mainland China policy. This also shows non-partisan undecided positions on policies. The political predisposition of ethnic identity only had a significant impact on Taiwanese people's attitudes to Tsai Ing-wen's cross-Strait policy in 2016

survey. People who were self-identified as Taiwanese were more likely to be satisfied with Tsai Ing-wen's cross-Strait policy in 2016. However, the ethnic identity had no significant impact on people's attitudes to Tsai's Mainland China policy in the two surveys in 2017. This result proves that the political predisposition of ethnic identity is relatively less significant to explain Taiwanese people's attitudes to the incumbent government's cross-Strait policy. In other words, people may have more concern about economic issues and party affiliation rather than ethnic identity in evaluating the incumbent government's performance in cross-Strait relations. Only in the March 2017 survey, people who were aged above 29 that were more likely to be satisfied with Tsai Ing-wen's cross-Strait policy. In all surveys, respondents whose father had Taiwanese ethnicity, they were more likely to be satisfied with Tsai's cross-Strait policy. In the September 2016 survey, respondents whose father had a Hakka ethnicity were more likely to be satisfied with Tsai's Mainland China policy. Taiwanese people's ethnic backgrounds, in this paper, the ethnicity of respondents' father may allow respondents to be satisfied with Tsai Ing-wen's cross-Strait since the DPP's cultural policy is to develop and diversify cultures of different ethnicities in Taiwan rather than integrating them to the Chinese cultures. In addition, education also had a significant impact on people's attitudes to Tsai's cross-Strait policy in some surveys. In the December 2016 people who received the highest degree at the post-secondary level and in the March 2017 survey people who acquired the highest degree at the high school or the post-secondary level were more likely to be satisfied with Tsai Ing-wen's Mainland China policy. This trend is consistent to the Taiwanese Public Poll Foundation's opinion poll in April 2017 that compared to people who received the highest degree at the elementary level, people who received the higher education level more likely to disagree with Tsai Ing-wen's strategy to

address Taiwanese affairs.<sup>83</sup>

**Table 12:** The Binominal Regression of Taiwanese People's Preferences for Tsai-Ing-wen's Cross-Strait Policy from May to December 2016

	May.2016			Sep.2016			Dec.2016		
	Coef.	S.E.	EXP(B)	Coef.	S.E.	EXP(B)	Coef.	S.E.	EXP(B)
Taiwan's economic interest (Better = 0)									
Worse	1.25	<b>0.54*</b>	3.48	1.34	<b>0.46**</b>	3.83	2.12	<b>0.39***</b>	8.32
The same	0.17	0.53	1.18	0.69	0.44	2.00	1.03	<b>0.37**</b>	2.80
Gender (Male = 0)									
Female	0.18	0.20	1.21	-0.35	0.22	0.71	-0.17	0.19	0.84
Age group (20-29 = 0)									
Above 29	-0.19	0.29	0.83	-0.29	0.30	0.75	-0.35	0.27	0.70
Education level (elementary = 0)									
High school	0.28	0.53	1.32	-0.16	0.44	0.85	0.52	0.45	1.68
Post-secondary	0.03	0.52	1.03	0.06	0.43	1.06	0.95	0.45*	2.58
Ethnic identity (Chinese = 0)									
Taiwanese	-1.77	<b>0.66**</b>	0.17	-2.39	<b>1.11*</b>	0.09	-1.28	<b>0.71<sup>b</sup></b>	0.28
Dual identity	-0.31	0.66	0.74	-1.17	1.12	0.31	-0.64	0.71	0.53
Father's ethnicity (Mainlander = 0)									
Taiwanese	-0.71	<b>0.35*</b>	0.49	-1.15	<b>0.49*</b>	0.32	-0.72	<b>0.35*</b>	0.49
Hakka	-0.70	0.43	0.49	-1.50	<b>0.55**</b>	0.22	-0.49	0.44	0.61
Party affiliation (The KMT = 0)									
The DPP	-2.20	<b>0.26***</b>	0.11	-3.53	<b>0.37***</b>	0.03	-2.71	<b>0.30***</b>	0.07
Non-partisan	0.33	0.25	1.39	-1.71	<b>0.37***</b>	0.18	-1.42	<b>0.29***</b>	0.24
Threshold	2.01	1.05		5.31	1.40		1.96	0.98	
N	713			703			784		
Pseudo R2	0.35			0.41			0.34		
d.f.	12			12			12		
p	p < 0.001			p < 0.001			p < 0.001		

p < 0.001 \*\*\* p < 0.01 \*\* p < 0.05 \*, p < 0.1 <sup>b</sup> (two-tailed)

<sup>83</sup> The Storm Media. “《台湾民意基金会民调》4成6民众不满总统蔡英文施政，民调点出那些人最不满” Last modified April 24, 2017. <http://www.storm.mg/article/255265>

**Table 13:** The Binominal Regression of Taiwanese People's Preferences for Tsai-Ing-wen's Cross-Strait Policy for March and September 2017 (Continued)

	Mar.2017			Sep.2017		
	Coef.	S.E.	EXP(B)	Coef.	S.E.	EXP(B)
Taiwan's national interest (Better = 0)						
Worse	1.75	<b>0.38***</b>	5.78	1.37	<b>0.34***</b>	3.92
The same	0.58	0.36	1.79	0.36	0.30	1.44
Gender (Male = 0)						
Female	-0.19	0.21	0.83	0.01	0.21	1.01
Age group (20-29 = 0)						
Above 29	-0.69	<b>0.33*</b>	0.50	0.22	0.29	1.25
Education level (elementary = 0)						
High school	1.26	<b>0.46**</b>	1.61	0.45	0.45	1.57
Post-secondary	1.26	<b>0.45**</b>	1.58	0.72	0.45	2.05
Father's ethnicity (Mainlander = 0)						
Taiwanese	-0.77	<b>0.44<sup>b</sup></b>	0.20	-1.02	<b>0.45*</b>	0.36
Hakka	-0.47	0.51	0.32	0.59	0.53	0.55
Ethnic identity (Chinese = 0)						
Taiwanese	-0.87	1.08	0.45	-0.88	0.79	0.41
Dual identity	-0.02	1.07	1.05	0.11	0.80	1.12
Party affiliation (The KMT = 0)						
The DPP	-2.57	<b>0.36***</b>	0.03	-2.29	<b>0.38***</b>	0.10
Non-partisan	-1.18	<b>0.34**</b>	0.11	-0.80	<b>0.38*</b>	0.45
Threshold	1.99	1.23		2.21	1.06	
Pseudo R2	0.32			0.28		
d.f.	12			12		
N	697			713		
<i>p</i>	p < 0.001			p < 0.001		

p < 0.001 \*\*\* p < 0.01 \*\* p < 0.05 \*, p < 0.1 <sup>b</sup> (two-tailed)

## Chapter VII Conclusion and Expectation

Before drawing conclusions and speculations based on the previous chapters, the tables showed in Appendix indicate the robustness tests to testify the validity of regression models. The variables included in each table are those which had a significant impact on Taiwanese people's preferences for the unification and independence issues in Chapter V and their attitudes to Tsai Ing-wen's cross-Strait policy in Chapter VI. *Table 14-16* in Appendix show the robustness tests

for the multinomial regression models in Chapter V, and *Table 17-20* in Appendix show the robustness test for the binomial regression models in Chapter VI. There are two differences before and after excluding insignificant variables. In the 2008 presidential election, party affiliation had a significant impact on people who favored the maintenance of the status quo compared to those who were pro-unification. Non-partisan people were more likely to favor the maintenance of the status quo after excluding insignificant variables. However, the impact of partisan changes in the same direction before and after excluding insignificant factors. Another change shows in the 2016 presidential election. The significant effect of household income level between 69001RMB-80000RMB on people who favored the status quo compared to people who were pro-unification became insignificant, but changed in the same direction before and after. In addition, the robustness tests for the binomial logistic regressions on Taiwanese people's preferences for Tsai Ing-wen's cross-Strait policy, only people who had a dual identity of Taiwanese and Chinese, they were more likely to be satisfied with Tsai's cross-Strait policy after excluding insignificant variables. However, the effect of ethnic identity on people's attitudes to Tsai Ing-wen's cross-Strait policy in that survey is in the same direction before and after excluding insignificant variables.

Therefore, the regression models developed in this paper are valid to conclude the general findings. First, the multinomial regression models indicate that Taiwanese people's cost-and-benefit calculations on the national interest of the aggregated economy, as well as the political predispositions of party affiliation and ethnic identity, have a significant impact on Taiwanese people's preferences for the unification-independence issues. However, Downs's "rational choice" theory which claimed people voted for a new government regarding the possible improvement of personal well-being but not the fluctuations of the aggregated economy. Thus,

the initial “rational choice” theory is invalid to explain the Taiwanese’s preferences for the unification-independence issues. Therefore, the “symbolic politics” is more valid to explain Taiwanese people’s political preferences for Taiwan’s status issues than the “rational choice” theory since both party affiliation and ethnic identity have significant impact on their preferences for the status issues of Taiwan. As for the binomial regression models, the national interest of domestic economy of Taiwan and the political predisposition of party affiliation significantly impact Taiwanese people’s attitudes to Tsai Ing-wen’s cross-Strait policy in all five quarterly surveys. Another political predisposition of ethnic identity only had a significant impact on the Taiwanese’s satisfaction on the incumbent government’s policy towards Mainland in 2016. Since the initial “rational choice” theory only investigated the effect of fluctuations of personal wellbeing on people’s attitudes to political issues, the “rational choice” theory is more invalid to explain Taiwanese people’s preferences for cross-Strait policy than the “symbolic politics” theory. However, the impact of people’s cost-and-benefit calculations on the national interest investigated in this research proves that the extended “rational choice” model that includes the fluctuations of national economy are valid to explain Taiwanese people’s political behaviors.

People’s cost-and-benefit calculations on national interest based on the renewed “rational choice” theory and the political predispositions of ethnic identity and party affiliation based on the “symbolic politics” theory have limitations on explaining Taiwanese people’s preferences for Taiwan’s status issues, as well as their preferences for Tsai Ing-wen’s cross-Strait policy. However, the findings figured out in this research are sufficient to reject Clark’s and Lin’s claims that the increasing economic integration had little effect on political issues in cross-Strait relations. This research also supports Muiyad’s claim that the increasing economic interdependence between Taiwan and Mainland China is possibly to raise the separatist feeling

since some people may view the growing economic interdependence between Taiwan and Mainland China derogates the aggregated economy of Taiwan, and not everyone is possible to gain in the process of economic integration. In addition, Taiwanese people who had never visited Mainland China were more likely to be pro-independence in 2016. However, this result does not indicate such contacts are possible to lead to the political integration between Taiwan and Mainland China that claimed by Cheng and Clark.

Therefore, the findings figured out in this research can answer the initial question of what contributes to the discordant trends of political divergence and economic convergence in cross-Strait relations both at the governmental level and the public level. It has been discussed that the shift of ruling parties in Taiwan contributes to the political divergence in cross-Strait relations at the governmental level. Although the KMT is the party that more affiliates with Mainland China than the DPP, Lee Teng-hui's call for two states caused the interruption of political contacts between Taiwan and Mainland China. Ma Ying-jeou's refusal of the economic spillover over political issues also contributed to the political divergence between the two sides of the Taiwan Strait. Moreover, the DPP's rule of Taiwan led by Chen Shui-bian and Tsai Ing-wen results in the political divergence between Taiwan and Mainland China since the party ideology of the DPP to advocate for the independence of Taiwan. Therefore, the increasing economic interdependence in cross-Strait relations has not produced the spillover effect on political divergence at the government level.

At the public level, Taiwanese people who have party affiliation with the DPP are more likely to be pro-independence in all three presidential elections, and tend to have the preferences for the status quo in the 2016 presidential election. Besides, people who have party affiliation with the DPP are more likely to be satisfied with Tsai Ing-wen's cross-Strait policy of

maintaining the status quo. Swing voters are more likely to be pro-independence or favor the status quo in presidential elections. Non-partisan people are also more likely to be satisfied with Tsai Ing-wen's cross-Strait policy in most of the quarterly surveys. Moreover, people who have Taiwanese identity are more likely to be pro-independence or favor the status quo in presidential elections. People who have exclusive Taiwanese identity are also more likely to be satisfied with Tsai's Mainland China policy in some of the quarterly surveys. The Taiwanese who have a dual identity as Chinese and Taiwanese are more likely to favor the status quo in all presidential elections. Furthermore, as for people who recognize that the growing economic interdependence derogates the aggregated economy of Taiwan, they are more likely to be pro-independence in the 2008 and 2016 presidential elections. As for people who view the domestic economy of Taiwan performs worse than the last half year, they are more likely to be dissatisfied with Tsai Ing-wen's cross-Strait policy. In all, Taiwanese people's political predispositions of ethnic identity and party affiliation, as well as their cost-and-benefit calculations on the national economy of Taiwan produce the political divergence between Taiwan and Mainland China at the public level.

In conclusion, these findings are good news for Tsai Ing-wen since people who have party affiliation with the DPP are more likely to be satisfied with her cross-Strait policy, as well as tend to be pro-independence. Non-partisan people are also more likely to have the preference for maintaining the status quo or the independence of Taiwan in the presidential elections. Besides, Taiwanese people who have exclusive Taiwanese identity are more probably to be pro-independence or favor the status quo in presidential elections. People who have a dual identity of Taiwanese and Chinese are more likely to favor the status quo in all presidential elections or favor the independence of Taiwan in some presidential elections. Also, non-partisan people are more likely to be satisfied with the incumbent government's cross-Strait policy. The Tsai

administration can consolidate the support from those people who are pro-DPP on the one hand and foster the Taiwanese identity by the cultural policy that upholds the de-sinicization.

In addition, Taiwanese people aged above 29 are likely to be pro-unification compared with young people. Since the proportion of Taiwanese people who self-identify as “Taiwanese” has increased, the DPP can achieve its political goal of isolating Taiwan from Mainland China with breeding the young generation’s Taiwanese identity. Also, the ethnic identity will have a life-long effect on people’s political behaviors from the “symbolic politics” perspective, so an increasing amount of young people with Taiwanese identity will escalate the proportion of Taiwanese people who prefer the status quo or the independence. After the 2014 Sunflower Movement, young people started to be interested in politics. If Tsai insists on evoking young people’s enthusiasms for politics, it will be much easier for her to accelerate the process for the independence of Taiwan.

Besides the impact of political predispositions on Taiwanese people’s preferences for the unification and independence issues and cross-Strait policies, the effect of economic factors can also provide the Tsai administration implications on how to gain more support with improving the domestic economy. People who viewed that the increasing economic integration between Taiwan and Mainland China derogated the national economy of Taiwan, they are more likely to be pro-independence in the 2008 and 2016 presidential election and prefer Tsai Ing-wen’s cross-Strait policy. Therefore, the incumbent government of Taiwan can achieve its political goals of isolating Taiwan from Mainland China by persistently warning the long-term risks of integrating the economy of Taiwan to the Mainland market. Moreover, people who viewed that the domestic economy of Taiwan was worse than the last six months, they were more likely to be dissatisfied with the current cross-Strait policy. Therefore, the Tsai administration can improve Taiwan’s

domestic economy to allow the public to more likely accept her cross-Strait policy of “maintaining status quo of peace and stability.” Tsai Ing-wen can take the above implications into considerations, she probably to win the 2020 presidential election.

These findings are good news for the Tsai administration but not for Mainland China. All these patterns show that it is possible for Tsai Ing-wen to achieve the political goal of Taiwan’s independence in future. Although Mainland China can continue to reinforce the economic interdependence with Taiwan, it should have more concern about how to resolve Taiwanese people’s fear that the economy of Taiwan overly depends on the mainland market would derogate the domestic market. This research’s findings may disappoint the CPC since the Taiwanese who viewed that the domestic economy of Taiwan was better than the last six months, they are more likely to be satisfied with Tsai’s policy of maintaining the status quo. Moreover, even for people who perceived that the increasing economic integration between Taiwan and Mainland China had no impact on the aggregated economy of Taiwan, they probably favor the independence of Taiwan, which can be proved by the 2008 presidential election.

Moreover, the Chinese authorities’ Taiwan strategy of developing the good relationship with the KMT may face a potential risk from the declining power of the KMT. It may be difficult for Mainland China to redirect Tsai’s cross-Strait policy since it is uncertain whether the KMT can win in the 2020 presidential election. Especially in a situation that Taiwanese people’s increasing antagonism to Mainland China, it is also difficult for the Chinese authorities to slow down the increasing trend of Taiwanese people who are self-identified as Taiwanese.

However, there is some good news for Mainland China, too. In the 2012 presidential election, people who had never visited Mainland China are more likely to be pro-independence in comparison with those who had visits to Mainland China more than once. So, Mainland China

should continue to enhance the people-to-people contacts and attract more Taiwanese people to visit Mainland China, which may influence their preferences for the unification-independence issues. Besides, according to the Taiwan Brain Trust, a Green Camp's public poll, the satisfaction rate for the Tsai administration had declined by 3.9 percent, while the dissatisfaction rate had increased by 2.4 percent. In contrast, the National Policy Foundation (Blue-Camp)'s public poll shows that satisfactory for Tsai Ing-wen had declined from 36.7 percent to 28.8 percent from March to December in 2017, while the dissatisfaction rate had increased from 43.5 percent to 65.6 percent at the same time.<sup>84</sup> Therefore, the Chinese authorities still have time to influence Taiwanese people's perceptions of the increasing economic integration will derogate the aggregated economy facing the declining popularity rate for Tsai Ing-wen. Also, people's negative attitudes to the incumbent government's cross-Strait policy are possible to force Tsai Ing-wen to modify the current policy towards Mainland China naturally, since Tsai's intention to gain more support in the forthcoming presidential election. Mainland China should consider how to respond the 2020 presidential election as the ruling party in Taiwan typically has the second term to govern Taiwan. Moreover, the Chinese authorities should also rethink its cross-Strait policy to revise Taiwanese people's antagonism on Mainland China beside of providing economic benefits for the Taiwanese.

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<sup>84</sup> Taiwan Brain Trust. "從蔡英文總統當選兩週年施政滿意度看 2020 總統大選," Last time modified January 11st, 2018. <http://braintrust.tw/>

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## Appendix

**Robustness Tests****Table 14:** Multinomial Logistic Regression of Taiwanese People's Preferences for the Unification and Independence Issues with Significant Variables for the 2008 Presidential Election

Base outcome = Pro-unification (= 1)	Maintaining the status quo (= 2)			Pro-independence (= 3)		
	Coef.	S.E.	RRR	Coef.	S.E.	RRR
National interest (Better = 0)						
Worse	0.82	<b>0.30**</b>	2.26	1.81	<b>0.33***</b>	6.13
The same	0.15	0.22	1.16	0.57	<b>0.28*</b>	1.77
Ethnic identity (Mainlander = 0)						
Taiwanese	1.89	<b>0.32***</b>	6.63	3.18	<b>0.66***</b>	24.13
Dual identity	0.77	<b>0.27**</b>	2.16	0.95	0.65	2.60
Father's ethnicity (Mainland = 0)						
Taiwanese	0.17	0.22	1.19	0.65	0.43	1.92
Hakka	0.21	0.31	1.24	1.03	<b>0.50*</b>	2.81
Party affiliation (KMT = 0)						
DPP	0.12	0.29	1.13	1.48	<b>0.33***</b>	4.41
Non-partisan	0.50	<b>0.21*</b>	1.65	0.66	<b>0.29*</b>	1.93
Threshold	-0.3	0.28	0.97	-3.47	0.70	0.03
N	1,429					
Pseudo R2	0.19					
d.f.	16					
p	p < 0.001					

p < 0.001 \*\*\* p < 0.01 \*\* p < 0.05 \* , p < 0.1 <sup>b</sup> (two-tailed)

**Table 15:** Multinomial Logistic Regression of Taiwanese People's Preferences for the Unification and Independence Issues with Significant Variables for the 2012 Presidential Election

Base outcome = Pro-unification (= 1)	Maintaining the status quo (= 2)			Pro-independence (= 3)		
	Coef.	S.E.	RRR	Coef.	S.E.	RRR
Visit to Mainland (Larger than 0)						
0 times	0.50	<b>0.17**</b>	1.64	0.67	<b>0.21**</b>	1.95
Gender (Male = 0)						
Female	0.51	<b>0.16**</b>	1.66	0.75	<b>0.19***</b>	2.12
Age (20-29 = 0)						
Above 29	-0.56	<b>0.26*</b>	0.57	-0.98	<b>0.29**</b>	0.38
Ethnic identity (Mainlander = 0)						
Taiwanese	1.15	<b>0.31***</b>	3.17	2.98	<b>0.76***</b>	19.78
Dual identity	0.71	<b>0.30*</b>	2.03	1.15	0.77	2.16
Party affiliation (KMT = 0)						
DPP	0.65	<b>0.23**</b>	1.91	2.16	<b>0.26***</b>	8.66
Non-partisan	0.95	<b>0.22***</b>	2.59	1.31	<b>0.27***</b>	3.70
Threshold	0.31	0.40	1.36	-2.70	0.82	0.7
N	1,611					
Pseudo R2	0.15					
d.f.	14					
p	p < 0.001					

p < 0.001 \*\*\* p < 0.01 \*\* p < 0.05 \*, p < 0.1<sup>b</sup> (two-tailed)

**Table 16:** Multinomial Logistic Regression of Taiwanese People's Preferences for the Unification and Independence Issues with Significant Variables for the 2016 Presidential Election

Base outcome = Pro-unification (= 1)	Maintaining the status quo (= 2)			Pro-independence (= 3)		
	Coef.	S.E.	RRR	Coef.	S.E.	RRR
National interest (Better = 0)						
Worse	0.16	0.29	1.17	0.77	<b>0.25*</b>	2.16
The same	-0.10	0.23	0.90	0.41	0.30	1.51
Income (Chinese yuan) (Below 28000 = 0)						
28001-39000	0.12	0.42	1.13	-0.47	0.49	0.63
39001-49000	0.34	0.47	1.41	0.01	0.54	1.01
49001-59000	-0.12	0.42	0.89	-0.08	0.49	0.92
59001-69000	-0.17	0.39	0.85	-0.45	0.46	0.64
69001-80000	-0.54	0.38	0.59	-1.29	<b>0.47**</b>	0.28
80001-93000	0.02	0.44	1.02	0.08	0.51	1.08
93001-111000	-0.03	0.40	0.97	-0.62	0.48	0.54
111001-141000	-0.15	0.42	0.86	-0.38	0.50	0.69
Above 141001	0.05	0.40	1.05	-0.01	0.47	0.99
Gender (Male = 0)						
Female	0.66	<b>0.20**</b>	1.93	0.51	<b>0.24*</b>	1.66
Age (20-29 = 0)						
Above 29	-1.13	<b>0.42**</b>	0.32	-1.83	<b>0.45***</b>	0.16
Education (Primary = 0)						
High school	0.78	<b>0.30**</b>	2.19	1.12	<b>0.35**</b>	3.07
Post-secondary	0.81	<b>0.31*</b>	2.24	1.29	<b>0.38**</b>	3.64
Ethnic identity (Mainlander = 0)						
Taiwanese	1.43	<b>0.35***</b>	4.17	3.04	<b>0.78***</b>	20.99
Dual identity	0.66	<b>0.32*</b>	1.93	0.67	0.79	1.96
Party affiliation (KMT = 0)						
DPP	0.84	<b>0.30**</b>	2.32	2.51	<b>0.35***</b>	12.28
Non-partisan	0.48	<b>0.23*</b>	1.61	1.07	<b>0.32**</b>	2.92
Threshold	0.26	0.60		-2.49	0.96	
N	1,121					
Pseudo R2	0.20					
d.f.	38					
p	p < 0.001					

p < 0.001 \*\*\* p < 0.01 \*\* p < 0.05 \*, p < 0.1<sup>b</sup> (two-tailed)

**Table 17:** The Binominal Regression on Taiwanese People's Preferences for Tsai-Ing-wen's Cross-Strait Policy with Significant Variables for May and September 2016 Surveys

	May 2016			September 2016		
	Coef.	S.E.	EXP(B)	Coef.	S.E.	EXP(B)
Taiwan's economic interest (Better = 0)						
Worse	1.30	<b>0.54*</b>	3.67	1.16	<b>0.43**</b>	3.20
The same	0.23	0.53	1.26	0.54	0.41	1.72
Father's ethnicity (Mainlander = 0)						
Taiwanese	-0.62	<b>0.34<sup>b</sup></b>	0.54	-1.06	<b>0.47*</b>	0.35
Hakka	-0.62	0.42	0.54	-1.40	<b>0.53**</b>	0.25
Party affiliation (The KMT = 0)						
The DPP	-2.13	<b>0.25***</b>	0.12	-3.40	<b>0.35***</b>	0.03
Non-partisan	0.39	0.24	1.48	-1.58	<b>0.36***</b>	0.21
Threshold	1.38	0.87		4.88	1.26	
N	724			714		
Pseudo R2	0.35			0.40		
d.f.	8			8		
p	p < 0.001			p < 0.001		

p < 0.001 \*\*\* p < 0.01 \*\* p < 0.05 \*, p < 0.1 <sup>b</sup> (two-tailed)

**Table 18:** The Binominal Regression on Taiwanese People's Preferences for Tsai-Ing-wen's Cross-Strait Policy with Significant Variables for December 2016 Survey

	December 2016		
	Coef.	S.E.	EXP(B)
Taiwan's national interest (Better = 0)			
Worse	2.05	<b>0.38***</b>	7.74
The same	1.01	<b>0.37**</b>	2.74
Education level (elementary =0)			
High school	0.70	0.44	2.01
Post-secondary	1.15	<b>0.44**</b>	3.16
Father's ethnicity (Mainlander = 0)			
Taiwanese	-0.56	0.33	0.57
Hakka	-0.30	0.42	0.74
Ethnic identity (Chinese = 0)			
Taiwanese	-0.71	<b>0.57***</b>	0.49
Dual identity	-0.03	<b>0.57**</b>	0.97
Party affiliation (KMT = 0)			
DPP	-2.65	<b>0.29***</b>	0.07
Non-partisan	-1.30	<b>0.28**</b>	0.27
Threshold	0.62	0.79	
Pseudo R2	0.32		
d.f.	10		
N	799		
p	p < 0.001		

p < 0.001 \*\*\* p < 0.01 \*\* p < 0.05 \*, p < 0.1<sup>b</sup> (two-tailed)

**Table 19:** The Binominal Regression on Taiwanese People's Preferences for Tsai-Ing-wen's Cross-Strait Policy with Significant Variables for March 2017 Survey

	March 2017		
	Coef.	S.E.	EXP(B)
Taiwan's national interest (Better = 0)			
Worse	1.86	<b>0.37***</b>	6.41
The same	0.57	0.35	1.76
Age (20-29 = 0)			
Above 29	-0.53	0.33	0.59
Education level (elementary = 0)			
High school	1.33	<b>0.45**</b>	3.80
Post-secondary	1.42	<b>0.44**</b>	4.13
Father's ethnicity (Mainlander = 0)			
Taiwanese	-1.09	<b>0.42<sup>b</sup></b>	0.34
Hakka	-0.74	0.49	0.47
Party affiliation (KMT = 0)			
DPP	-2.85	<b>0.34***</b>	0.06
Non-partisan	-1.31	<b>0.33***</b>	0.27
Threshold	1.54	0.77	
Pseudo R2	0.31		
d.f.	9		
N	711		
p	p < 0.001		

p < 0.001 \*\*\* p < 0.01 \*\* p < 0.05 \* , p < 0.1 <sup>b</sup> (two-tailed)

**Table 20:** The Binominal Regression on Taiwanese People's Preferences for Tsai-Ing-wen's Cross-Strait Policy with Significant Variables for September 2017 Survey

	Coef.	September 2017	
		S.E.	EXP(B)
Taiwan's economic interest (Better = 0)			
Worse	1.41	<b>0.32***</b>	4.11
The same	0.41	0.29	1.51
Father's ethnicity (Mainlander = 0)			
Taiwanese	-1.24	<b>0.44**</b>	0.29
Hakka	-0.77	0.52	0.46
Party affiliation (KMT = 0)			
DPP	-2.62	<b>0.37***</b>	0.07
Non-partisan	-0.87	<b>0.36*</b>	0.42
Threshold	2.77	0.58	
N	735		
Pseudo R2	0.25		
d.f.	6		
p	p < 0.001		

p < 0.001 \*\*\* p < 0.01 \*\* p < 0.05 \* , p < 0.1 <sup>b</sup> (two-tailed)

## Variables Information

Variables	Survey Questions	New Code
<b>Dependent Variable</b>		
Taiwanese people's preferences for unification-independence issues	What is your position on Taiwan's relation to Mainland China: (1) Unification as soon as possible (2) Independence as soon as possible (3) Maintain status quo, and move toward the unification (4) Maintain status quo, and move toward independence (5) Maintain status quo, and decide at a later time (6) Maintain status quo indefinitely	Three categories: Pro-unification = 1 Maintain status quo = 2 Pro-independence = 3
Attitudes to Tsai Ing-wen's cross-Strait policy	Are you satisfied with Tsai's cross-Strait policy or not? (1) Very satisfied (2) A little bit satisfied (3) Very dissatisfied (4) A little bit dissatisfied	Two categories: Satisfied with Tsai's policy = 0 Dissatisfied with her policy = 1
<b>Independent variable</b>		
Gender	Respondents' gender is? (1) Male (2) Female	Two categories: Male = 0 Female = 1
Age	What year do you born? Listed year by year from the smallest age of 20	Six categories: 20-29 = 0 Above 29 = 1
Education level	What is your highest degree? (1) No education (2) Elementary level (3) Middle school (4) High school (5) Skilled school (6) University (7) Graduate school	Three categories: The Elementary level = 0 The High school level = 1 The Post-secondary level = 2
Language	What is your frequent language used in family?	Three categories: <i>Mandarin</i> = 0

	<p>(1) <i>Minnanyu</i>  (2) <i>Hakka Han</i>  (3) <i>Mandarin</i>  (6) Both <i>Minnanyu</i> and <i>Mandarin</i></p>	<p><i>Minnanyu</i> = 1  <i>Hakka Han</i> = 2  Both <i>Mandarin</i> and <i>Minnanyu</i> = 3</p>
Father's ethnicity	What is your father's ethnicity?	Three categories: Mainlander = 0 Taiwanese = 1 Hakka = 2
Ethnic identity	What ethnic identity listed below you perceive yourself as? (1) Taiwanese (2) Both Taiwanese and Chinese (3) Chinese	Three categories: Chinese = 0 Taiwanese = 1 Dual identity = 2
Self-interest	<p><b>The 2008 Presidential Election:</b> how do you think about your economic condition changes after Taiwan and Mainland China increasing economic ties?  (1) Better off  (2) The same as before  (3) Worse than before</p> <p><b>The 2012 Presidential Election:</b> how do you think about your economic condition changes after Taiwan and Mainland China increasing economic ties since 2008?  (1) Better off  (2) The same as before  (3) Worse than before</p> <p><b>The 2016 Presidential Election:</b> how do you think about your economic condition changes after Taiwan and Mainland China signed the ECFA?  (1) Better off  (2) The same as before  (3) Worse than before</p>	Three categories: Better off than before = 0 Worse than before = 1 The same as before = 2
National interest	How do you think about Taiwan's economy compared than the last six months? (1) Better than before (2) The same as before (3) Worse than before	Three categories: Better off than before = 0 Worse than before = 1 The same as before = 2
Party affiliation	Which party you prefer? (1) The Kuomintang (The KMT) (2) The Democratic Progressive Party (The DPP)	Two categories: The KMT = 0 The DPP = 1 Non-partisan = 2

	And all other parties in Taiwan (3) None of them	
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