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Taiwan Meeting the Challenges Crafting a Model of New Asian Value

Thank you, Bonnie, for your introduction and to CSIS for welcoming me into your magnificent new building.

Mr. Burghardt, Mr. Campbell, distinguished guests, ladies and gentlemen and members of the media,

It is wonderful to be in Washington, DC again. It is my great honor and pleasure to meet all of you today. I am truly grateful to the fellows and staff at CSIS for making this event possible.

Meeting new challenges

On April 15 this year, the Democratic Progressive Party nominated me as its presidential candidate for the 2016 elections. I am greatly honored to be associated with the political party that fought hard against authoritarianism and turned Taiwan into a democracy that today cherishes freedom and human rights. The DPP is proud to have played an imperative role in bringing about such monumental changes in Taiwan.

As a presidential candidate, I have to be ready to deal with rising domestic and external challenges ranging from the gradual erosion of freedom and democracy to an increasing uncertainty over Taiwan's ability to maintain its economic autonomy.

While responding to challenges, we are actually crafting a model of new Asian value, which features participatory democracy, equitable distribution and social justice, innovation-based economy, and proactive peace diplomacy.



Responding to the challenge to democracy

As noted by some prominent international organizations, freedom of speech, freedom of press, and human rights have been on a steady decline in the last few years. In March last year, the undemocratic nature of the ratification process over a cross-strait trade agreement unleashed formidable social forces trying to redirect the path of the government. Now some of the social forces are eager to participate in the political process through public deliberation or even through participation in elections.

The newly found sociopolitical forces may cause the government to slow down if it is not ready to be transparent or open for participation. However, if democratically handled, with the input of enormous dynamism into the decision making process and constant oversight from the public, the government can be much more effective and responsive. This is what I am ready to endeavor, that is, i.e. to deepen our democracy.

Economic stagnation and social problems

For most Taiwanese, the state of our economy is a source of great distress as it has stagnated for some time and has lost momentum for growth. Globalization and China's rise as the world's factory have affected Taiwan's efficiency-driven model of economic growth. This has gradually resulted in a widening income gap, outsourcing of job opportunities, and stagnating salaries.

The economic slowdown has hit the young generation in particular, who now face an economic environment much harsher than their parents' days. In addition, our various public pension funds have incurred huge implicit deficits that endanger their sustainability. Furthermore, the family-based traditional social safety network no longer suits the needs of the highly urbanized Taiwan. Under



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these circumstances, one can only imagine the tremendous burdens that are being placed on our younger generation.

Economic Measures

Therefore, providing a new economic way forward will be the foremost priority of the coming DPP Administration. I am ready to present the New Model for Economic Development with core elements of innovation, employment, that is, job creation, and equitable distribution.

The primary objective of the new model is to reshape Taiwan's economic competitiveness by shifting from an efficiency-driven model to an innovation-driven one. It is also aimed at striking a balance between economic growth and social need. In addition, we hope that the new model can help reduce Taiwan's dependence on a single market and to ensure Taiwan's economic autonomy. We were kindly reminded by former Secretary Clinton in June last year that Taiwan would be vulnerable if it loses economic independence.

I also fully intend to build a strategic partnership with the U.S. on economic cooperation. A DPP administration would like to mount intensive exchanges and cooperation on the next generation infrastructure for Internet of Things (IoT), cloud, big data, and ICT-based new industries, which feature the 4th industrial revolution, or what many call Industry 4.0. I would like to have Taiwan work closely with American firms to renew Taiwan's ICT industries as well.

On international trade, there is an urgent need for Taiwan to participate in the Trans Pacific Partnership (TPP), at least to be included in the second round of negotiations. For this purpose, I have set up a special task force to discuss the important aspects of trade liberalization and the TPP. Our discussions include the need for structural adjustments and reform, the extent to which Taiwan



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should adhere to international standards, streamlining legal infrastructure and bureaucratic practices, and making the necessary investments in specific sectors. We want to ensure that Taiwan is ready to effectively deal with the challenges of globalization.

I would like to thank the U.S. government for expressing welcome to Taiwan's interest. Here I would also like to reiterate that I am determined for Taiwan to be ready for the TPP.

Social safety net

When the economy grows, the Taiwan government will be equipped with more resources to invest in social infrastructure. The DPP has unveiled a plan to create a new community-based social safety net, and has inaugurated the plan in some of the local governments under our administration. I also plan to invest in social housing as well as long-term senior care systems. These are highly demanded in Taiwan as it moves to an aging society.

Here I would like to stress that investment in the social safety net is not just welfare spending; it will make good economic sense by meeting local demand and generating local job opportunities.

For Taiwan's economy to be more competitive and our democracy stronger we need to build a military capable of safeguarding the country and maintaining peace. We should also help shape a friendly regional environment by making meaningful contributions to international affairs. Needless to say, a critical component is a need to maintain a peaceful and stable relationship with China.

Defense



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On defense, to be a reliable partner on regional security, it is my firm belief that proper investment in credible deterrence is the key. In light of the increasing military and security threat that Taiwan faces, developing asymmetric capabilities that involve enhanced military relations with friendly forces, well-trained military personnel in a modern force structure, and acquisition of necessary defense equipment are essential components of our deterrent strategy.

The transition to a voluntary military force has its challenges. I am committed to securing the resources necessary to provide adequate training and education for the active and reserve forces, so that there is not only a high degree of professionalism among the services, but also a quality connection between their military service and job careers.

It is important that mil-to-mil relations with the U.S. continue to intensify in accordance with the Taiwan Relations Act and mutual security interests in the region. Taiwan is and will continue to be a reliable partner of the U.S. in ensuring peace and stability in the region. We must work closely with our American friends, not only in deterring traditional threats and coercion, but also in jointly dealing with other non-traditional security threats, such as cyber-security.

In addition to foreign acquisition of defense systems and platforms, I am committed to more investments in indigenous defense programs, including research and development, to meet our long-term defense need. These investments will eventually produce multiplied benefits in Taiwan's economy. It is investment in defense and economy at the same time, for the long haul.

Relations with the U.S. and international participation

Taiwan and its people have a special political, security, economic, and cultural bond with the United States because of our shared values and shared



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interests. But, Taiwan should not take the relationship for granted. I will ensure that Taiwan works together with the U.S. to advance our common interests. Taiwan's international support can be obtained by making ourselves as a reliable partner and by having a proactive diplomatic agenda for peace.

Under my watch, Taiwan will meaningfully participate and contribute, provided that it is not discriminated against, in international projects such as humanitarian assistance and disaster relief, medical assistance, and joint efforts in economic aid with backup support from our active NGO's. Taiwan has a modern rescue training center in central Taiwan; I would like to expand its operation so that it becomes an international training center. I will also seek to work closely with the U.S. on counter-terrorism, modeling on the Container Security Initiative and Mega Port Initiative and share this experience with any neighboring country.

The former DPP Administration established the Taiwan Foundation for Democracy and the NGO Committee in the Ministry of Foreign Affairs. This is to advance our democratic value and meaningful participation in international affairs. Their work will be rejuvenated if we have a chance to return to office.

Making contributions, becoming a reliable partner will be the spirit of the new DPP administration in the pursuit of international participation.

Cross-Strait

I am also committed to a consistent, predictable, and sustainable relationship with China.

Cross-strait relations must be considered in a long-term context. Since Taiwan's democratization, we have had three democratically elected presidents and a strong social will forged by numerous democracy movements. Freedom



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and democracy are values deeply ingrained in the hearts of the Taiwanese people. The president elected by the people of Taiwan represents all the people of Taiwan in conducting external affairs. Therefore the conduct of cross-strait policy must transcend the position of a political party and incorporate different views. A leader must take into account public consensus, when making decisions. We do have a broad consensus in Taiwan, that is, the maintenance of the status quo.

I have articulated and reiterated my position of maintaining the status quo in the previous months, as I believe this serves the best interest of all parties concerned.

Therefore, if elected President, I will push for the peaceful and stable development of cross-strait relations in accordance with the will of the Taiwanese people and the existing ROC constitutional order.

The two sides of the Taiwan Strait should treasure and secure the accumulated outcomes of more than twenty years of negotiations and exchanges. These accumulated outcomes will serve as the firm basis of my efforts to further the peaceful and stable development of cross-strait relations.

I will push for legislation of the Cross-Strait Agreement Oversight Bill to establish a comprehensive set of rules for overseeing the cross-strait exchanges and negotiations. The cross-strait agreements which are currently under negotiation or legislative review will be re-examined and further negotiated according to the new rules.

Last but most importantly, I will also strengthen our democratic institutions and uphold the right of the people to decide their future free of coercion. While I advocate for constructive exchanges and dialogues with China,



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I will ensure the process is democratic and transparent, and that the economic benefits are equitably shared.

Conclusion—New Asian value is being crafted

In conclusion, I would like to say this: Taiwan stands at the juncture of history and culture. When people in many Asian countries are still suffering from authoritarianism, we in Taiwan are immensely proud of our democracy and cherish our hard-earned social and political rights and individual freedom, together with the rise of civil society and freedom of choice.

As Asia faces rising nationalism, irredentism, and threat of military conflict, we intend to engage in proactive peace diplomacy that fosters peace and stability with the spirit of giving and sharing.

When globalization causes economic turbulence, brings unsustainable results in resources, and leaves great disparity and injustice, particularly to the younger generations, we in the DPP are ready to undertake a new model of economic development which aims at building a new economy based on innovation, employment, and distribution, as well as to implement a community-based social safety net to compliment the traditional family-based care systems. These will serve as an important basis for innovation, sustainability, distribution and social justice.

In summary, we are crafting a model of new Asian value in Taiwan to serve as an example and inspiration to others. With this new Asian value, we are ready to light up Taiwan, light up Asia.

Thank you very much.