

Taishang Studies

A Rising or Declining Research Field?

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ABSTRACT: The study of Taiwanese entrepreneurs who live and invest on the Chinese mainland (*Taishang*) has only recently started to attract attention. Taishang have been referred to as a “linkage community” that connects Taiwan and the Chinese mainland through its economic undertakings, political influence, and social experiences as a migrant community. Against this background, this article clarifies the extent to which Taishang have contributed to and shaped the ongoing process of cross-strait interaction and the development of cross-strait policies. It revisits the field of Taishang studies, takes stock of the knowledge that this field has generated so far, and explores future directions for meaningful research.

KEYWORDS: Taishang, “linkage community,” cross-strait integration, cross-strait relations.

Introduction

The story of Taiwanese investment in mainland China has often been told over the past two decades, and its economic and political repercussions continue to interest many Taiwan scholars.⁽¹⁾ After the first Taiwanese entrepreneurs set foot on the Chinese mainland in the late 1980s, they soon became important energisers in China's market transformation processes and contributed substantially to China's economic rise. Faced with the mounting pressure of rising labour costs in the structurally changing economy back home, Taiwanese entrepreneurs shifted their companies and much of their investment capital to the mainland, making best use of the low wages, cheap land, and tax breaks granted by local Chinese governments eagerly pursuing their respective development agendas.⁽²⁾ During the 1990s and 2000s, cross-strait economic interaction became increasingly intensive despite the fact that the Taiwanese government strictly regulated investment flows to China. Cross-strait direct trade was finally legalised in 2008, when the KMT returned to power after eight years of DPP rule. At around the same time, the economic climate on the mainland changed dramatically for Taiwanese entrepreneurs as a result of structural adjustments made to the Chinese economy and the global financial crisis, which had a strong impact on the demand for Taiwanese goods.⁽³⁾ Moreover, increasing Chinese competition from private and state enterprises and their privileged treatment by local authorities brought new challenges for Taiwanese entrepreneurs, who were forced to accept that their advantages in the early days of “reform and opening” had gone.⁽⁴⁾ Today, they have to fight hard to survive in the shark basin called the China market, and although many of them do extremely well, others, particularly those belonging to the labour-intensive industries, face strong pressure to either upgrade, change their production lines, or seek new destinations, for instance in Southeast Asia, in order to continue their businesses.

Research on Taiwanese entrepreneurs operating in China (*Taishang* 台商) has only recently been noted as an emerging field in Taiwan studies that stretches across different disciplines and covers a wide range of topics, including Taishang economic behaviour, (national) identity change, social in-

tegration in China, and political agency.⁽⁵⁾ The nexus between these different approaches to the study of Taishang, as we argue, was and still is the un-

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1. For comprehensive accounts, see You-tien Hsing, *Making Capitalism in China. The Taiwan Connection*, New York, Oxford University Press, 1988; Chen Teh-sheng (ed.), *Jingji quanqiuhua yu taishang dalu touzi: celüe, buju yu bijiao* (Economic Globalisation and Taishang Mainland Investment: Strategy, Composition and Comparison), Luzhou, Jingdian wenhua, 2005; Mai Rui-tai, *Dalu taishang de jingying celüe* (Management Strategies of the Mainland Taishang), Taipei, Keji tushu, 2006; Shin-yuan Tsai, *Globalization Effects on China's Influence on Taiwan Economy*, Frankfurt/M., Peter Lang, 2006; Chen Teh-sheng (ed.), *Kunshan yu Dongguan taishang touzi. Jingyan, zhili yu zhuanxing* (Taiwanese Investment in Kunshan and Dongguan: Experiences, Governance and Transformation), Taipei, INK, 2009; Chen-yuan Tung and Chia-ko Hung, “The Estimation of Aggregate Statistics for Taiwan-Invested Enterprises in China: 1988–2008,” *China: An International Journal*, Vol. 10, No. 3, 2012, pp. 119–132; Françoise Mengin, *Fragments d'une guerre inachevée. Les entrepreneurs taiwanais et la partition de la Chine* (Fragments of an Unfinished War: Taiwan's Entrepreneurs and the Partition of China), Paris, Karthala, 2013.
2. See Charles H. C. Kao and Steve Chu-chia Lin, “The Economic Impact of Taiwan's Investment in the Mainland,” *Issues & Studies*, Vol. 30, No. 6, 1994, pp. 16–27; John Q. Tian, “Like Fish in Water: Taiwanese Investors in a Rent-Seeking Society,” *Issues & Studies*, Vol. 35, No. 6, 1999, pp. 61–94; Karen M. Sutter, “Business Dynamism across the Taiwan Strait: The Implications for Cross-strait Relations,” *Asian Survey*, Vol. XLII, No. 3, 2002, pp. 522–540; Hsu Ssu-ch'in and Chen Teh-sheng (eds), *Taishang dalu touzi ershi nian: jingyan, fazhan yu qianzhan* (Taiwanese Investment in China During the Past Two Decades: Experiences, Developments and Prospects), New Taipei City, INK, 2011; Keng Shu, Lin Rui-hua et al. (eds), *Taishang yanjiu* (Taishang Studies), Taipei, Wunan, 2012.
3. Most importantly, the Chinese government promulgated a new Labour Contract Law, which went into effect on 1 January 2008. This stipulates that employees of at least ten years' standing are entitled to contracts that protect them from being dismissed without cause. Also, the law requires employers to contribute to employees' social security accounts and sets wage standards for employees who are on probation and working overtime. All our Taishang respondents at the time complained that this new law would raise labour costs significantly and have a negative effect on the already deteriorating business environment. The introduction by Chinese local governments of new environmental protection regulations and the turn toward attracting “clean” and high tech industries while discriminating against polluting and labour-intensive production since the mid-2000s have further contributed to this development.
4. See Chun-yi Lee, *Taiwanese Business or Chinese Security Asset? A Changing Pattern of Interaction between Taiwanese Businesses and Chinese Governments*, London, New York, Routledge, 2012; Chen T.-s. and Huang C.-c., “Dalu taishang zhuanxing shengji: zhengjing beijing yu changxuanxue hudong” (Transformation and Upgrading of Taiwanese Entrepreneurs: Political Background and Interaction between Businesspeople, Officials and Academicians), in Tung Chen-yuan and Cao Xiaoheng (eds), *Liang'an jingji guanxi de jiyu yu tiaozhan* (Challenges and Opportunities for Cross-Strait Economic Relations), Taipei, Hsin-rui wen-chuang, 2013, pp. 73–95.
5. See Shu Keng, Gunter Schubert et al., “Taiwan and Globalisation. Reflections on the Trajectory of Taishang Studies,” in Kuei-fen Chiu, Dafydd Fell et al. (eds), *Migration to and from Taiwan*, London, New York, Routledge, 2014, pp. 25–41.

derlying hypothesis that this social group constitutes a specific **"linkage community"** ⁽⁶⁾ connecting the two sides of the Taiwan Strait and driving forward their ongoing integration – with all the potential advantages and disadvantages this process entails. In the realm of **cross-strait economic relations**, the "linkage effect" is probably the most obvious: first, Taishang investment has helped the Chinese economy become what it is today. ⁽⁷⁾ Although their significance as energisers of China's economic rise is dwindling, Taishang are still an important factor in China's ongoing market transformation due to their steady capital investment and the transfer of management skills and technology. ⁽⁸⁾ At the same time, Taiwanese entrepreneurs help Taiwan's export economy by linking it to the Chinese market and global value chains, which are arguably becoming increasingly "sinified." Taishang also play a significant role in facilitating access to Taiwan for Chinese capital, although this is a rather murky area and a politically contested issue (see below). Last but not least, there is the ever-present suspicion in Taiwan that influential tycoons are conspiring with KMT elites and the Chinese government to pull Taiwan irrevocably into China's orbit, solely for their own personal benefit. Concerning **cross-strait migration and social relations**, Taiwanese entrepreneurs, as long-term residents on the mainland, have gained the attention of sociologists who are interested in the conditions of their (non-)integration in Chinese society, in the question of identity change, and also in the impact of cross-strait marriages on Taiwanese immigration policies and family patterns. However, Taishang as a social constituency here often merge with other migrant groups – factory managers, white collar workers, relatives, students – to form a broader category of "Taiwan compatriots" (*Taibao* 台胞) living on the mainland. In terms of **cross-strait political relations**, political scientists have largely focused on the possible role played by Taishang as agents or lobbyists of China's Taiwan policy. ⁽⁹⁾ They have also discussed Taiwanese entrepreneurs in the context of an alliance uniting the political and economic elites on both sides of the Taiwan Strait, in what André Beckershoff has described as a Gramscian "hegemonic project," with the objective of making cross-strait integration the only possible option in the minds of ordinary Taiwanese. ⁽¹⁰⁾ One further issue is the extent to which Taishang constitute an autonomous collective actor with the power to act independently of political elites and to influence the policy-making process in both China and Taiwan. ⁽¹¹⁾

It is the intention of this article to highlight some of the major insights that have been gained through Taishang studies to date in all three areas of cross-strait relations, i.e. economic, social, and political. The common theme that connects all these studies, as has been mentioned above, is the assumption that Taishang are a "linkage group," which is of key importance when it comes to understanding the dynamics of cross-strait relations and the scope and limits of (further) cross-strait integration in all the areas mentioned. The final part of the article discusses the question of whether this assumption still holds sway, given the changing cross-strait political economy, as well as the possible future directions of scientific inquiry in the field of Taishang studies. ⁽¹²⁾

Taishang and cross-strait economic relations

There can be no doubt that Taiwanese entrepreneurs have been an important factor in China's economic rise during the last 25 years. They have provided much of the capital investment and management skills that China needed to build up competitive industries. Local Chinese governments focused on economic development in their jurisdictions and

successfully attracted Taishang by offering cheap land and labour that was no longer available in Taiwan proper. The Pearl River Delta (*Zhusanjiao* 珠三角), most notably Dongguan City and its adjacent townships, became the centre of labour-intensive industries under Taiwanese ownership, producing textiles, shoes, umbrellas, furniture, and electronic appliances of all kinds. Shenzhen, as early as 1988, became the site of the biggest factory of the Hon Hai Precision Industry Co. Ltd. (Foxconn), the world's largest electronics contract manufacturer, founded by the Taiwanese tycoon Kuo Tai-ming. In the course of the late 1990s and early 2000s, ever-increasing amounts of Taiwanese capital were flowing into the Yangtze River Delta (*Changsanjiao* 長三角) and the Shanghai metropolitan area (including the prefectural cities of Suzhou, Wuxi, Ningbo, and Hangzhou), with the county-level city of Kunshan soon to become the centre of Taiwanese investment in new high-tech industries, particularly semiconductors and integrated circuit devices, precision machinery, solar technology, and biochemistry. ⁽¹³⁾

These developments aroused the keen interest of political economists, the earliest cohort of scholars engaging in research on Taishang. They discussed the dangers of a "hollowing out" of Taiwan's economy vis-à-vis the opportunities resulting from cross-strait trade and investment liberalisation, a topic

- According to Wei Yung's early definition, a "linkage community" consists of "a group of people who have had such extensive social, cultural, commercial, or other types of contacts with the people and society of the opposite system that they have developed an understanding, sensitivity, and empathy with the people and society across boundaries." Delimiting a research programme oriented toward "linkage communities," Wei suggested that "instead of focusing our attention on the role of the state, the problems of sovereignty, the decisions of the elite, the legal process, and the political structure, we will turn more to the orientation of the population; the development of shared values and norms between people of different systems; the direction of deliberation and debate in the representative bodies at the central and local levels; and the overall volume as well as intensity of actual individual and group interactions between the two political systems within a partitioned society." See Yung Wei, "From 'Multi-System Nations' to 'Linkage Communities': A New Conceptual Scheme for the Integration of Divided Nations," *Issues & Studies*, Vol. 33, No. 10, 1997, pp. 1-19, 7-8. See also Shu Keng's approach to the concept: Shu Keng, "Understanding Integration and 'Spillover' across the Taiwan Strait: Towards an Analytical Framework," in Gunter Schubert and Jens Damm (eds), *Taiwanese Identity in the Twenty-first Century: Domestic, Regional and Global Perspectives*, London, New York, Routledge, 2011, pp. 155-175.
- See Shelley Rigger and Gunter Schubert, "From 'Borrowing a Boat to Go to Sea' to 'Learning How to Build a Ship': Taiwan's Contribution to China's Economic Rise and Cross-strait Integration," in Steve Tsang (ed.), *The Taiwan Impact on China* (working title), Basingstoke, Palgrave Macmillan, forthcoming.
- Since wage differentials across the Taiwan Strait are decreasing in many industries, Taishang who find themselves facing structural pressure on the mainland have started to return to Taiwan. However, as our interview data suggests, most of these companies scale back significantly upon "going home." Many Taishang complain that although labour costs are once again becoming more competitive in Taiwan because of the continuous rise in labour costs on the mainland, the main obstacle in the way of new investments on the island is the substantial labour shortage, i.e. a shortage of *cheap* labour, in the manufacturing sector. One of the main requests directed at the Taiwan government, therefore, is for the liberalisation of state immigration policies to allow more foreign workers to enter the Taiwanese labour market – a hotly contested issue, since such a policy is bitterly opposed by those who fear that this will result in Taiwanese workers finding themselves under even more pressure.
- See Tse-Kang Leng, "State, Business, and Economic Interaction across the Taiwan Strait," *Issues & Studies*, Vol. 31, No. 11, 1995, pp. 40-58; Shu Keng and Gunter Schubert, "Agents of Taiwan-China Unification? The Political Roles of Taiwanese Business People in the Process of Cross-Strait Integration," *Asian Survey*, Vol. 50, No. 10, 2010, pp. 287-310; Keng Shu, Gunter Schubert et al. (eds), *Taishang yanjiu* (Taishang Studies), Taipei, Wunan, 2012, pp. 301-339.
- See André Beckershoff, "Seizing the Transnational – Ideology, Hegemony, and the Doubling of China-Taiwan Relations," *Spectrum: Journal of Global Studies*, Vol. 6, No. 1, 2014, pp. 1-21.
- See Gunter Schubert, "Assessing Political Agency across the Taiwan Strait: The Case of the Taishang," *China Information*, Vol. 27, No. 1, 2013, pp. 51-79.
- Since 2006, we have regularly conducted fieldwork (in both China and Taiwan) on Taiwanese entrepreneurs engaged in business in China, interviewing several hundred Taishang and factory managers representing diverse industries and companies of different sizes in the Pearl River Delta, the Shanghai metropolitan area (including Kunshan), and in Northern, Central, and Southern Taiwan.
- See Shu Keng, "Developing into a Developmental State: Changing Roles of Local Government in the Kunshan Miracle," in Yuan-Han Chu and Leng Tse-Kang (eds), *Dynamics of Local Government in China during the Reform Era*, Lanham, Rowman and Littlefield, 2010, pp. 225-271.

that has not lost any of its steam to this very day.⁽¹⁴⁾ Other scholars analysed the set-up and operating mode of new mainland-based networks connecting Taiwanese businesses, and the establishment of new production clusters and value chains linking Taiwan to the global economy.⁽¹⁵⁾ Government-business relations and the specific strategies employed by Taiwanese entrepreneurs to set up *guanxi* with local Chinese cadres to protect and nurture their businesses were another focus of research. Hsing You-tien's "blood, thicker than water" approach explained the success of Taiwanese direct investment in southern China in terms of the interpersonal networks established between Taishang and local Chinese officials.⁽¹⁶⁾ These networks were based on two conditions: first of all, local governments had sufficient leeway to flexibly apply central state laws and regulations to accommodate the business requirements of Taiwanese investors. Second, cultural and linguistic affinity facilitated communication and the setting up of *guanxi* based on the "principle of gift exchange" that is so revered in the Chinese world. This perspective clashed to some extent with the institutionalist thinking of scholars such as Wu Jieh-min, who highlighted the significance of *guanxi*, but placed these networks in the context of rent-seeking and patronage.⁽¹⁷⁾ Local Chinese governments, acting as patrons, helped Taiwanese entrepreneurs by making use of their discretion to apply government regulations and exploiting their gatekeeper position to provide important market information. Most importantly, they reduced the transaction costs of Taishang by offering them preferential (selective) treatment in the realm of official tax payments and administrative fees, while cashing in on extra-budgetary payments to be delivered by their clients, Taiwanese investors. Cultural and linguistic affinity as an objective analytical category, Wu argued, was less useful to explain this patron-client relationship than "diachronic" institutional affinity resulting in the actualisation of an established cultural practice:

Taiwanese experienced, during the period of rapid economic growth under authoritarian rule from the 1960s to the mid-1980s, much that is similar to what has been happening in reform-era China, including extensive regulations, rampant rent-seeking, and bribery and corruption. These experiences have remained fresh in their minds. Now Taiwanese businessmen can "transpose" the rules of the game to China. In this way, the costs for Taiwanese businessmen to manipulate *guanxi* networks on the mainland are relatively low vis-à-vis foreigners. This deep structural affinity in development experience can better explain the characteristics of *guanxi* webs between the two societies.⁽¹⁸⁾

From this perspective, *guanxi* networks become a "convenient tool for investors to work out a *cooperation protocol* with local partners under specific policy conditions,"⁽¹⁹⁾ which secures relative certainty in a complex institutional environment – although this may turn into immediate uncertainty once a central policy is changed and promoted rigorously top-down, for instance, in large-scale anti-corruption campaigns. Consequently, the efficiency of *guanxi* networks varies with the institutional environment and certain structural conditions, a fact that Taishang have obviously had to face since the beginning of the Xi Jinping era.

Lee Chun-yi, for her part, identified and analysed different periods in which the relationship between local Chinese governments and Taiwanese entrepreneurs gradually changed: from the early days, when Taishang capital was desperately needed and eagerly invited by local Chinese governments, to the recent past, when Taiwanese entrepreneurs lost their privileged position

and were increasingly forced to compete with domestic competitors in maturing Chinese markets.⁽²⁰⁾ In fact, today, the mainland Taishang face a harsh economic environment with increasing labour and capital costs, stricter regulation (most notably concerning environmental protection and tax obligations), unfair competition (from better connected and protected Chinese entrepreneurs), and a general policy line that strives to gradually do away with labour-intensive industries in the Pearl River Delta (and elsewhere) and replace them with high tech industries. Consequently, scholars have come to look at how Taishang react to this pressure and what their counter-strategies – leaving China, diversifying and upgrading their product lines, moving "in-land" and attempting to enter the Chinese domestic market, returning to Taiwan, or closing down – entail for Taiwan's economy, cross-strait economic relations, and Taiwan's relative position in global value chains.⁽²¹⁾ All in all, the above-summarised research has been very much informed by the specific modes of production, company organisation, investment strategies, and social networks of Taiwanese entrepreneurs to ensure smooth and successful business operations in China.

A different strand of research in the realm of cross-strait economic relations, often conducted by sociologists, has dealt with intra-firm labour re-

14. Interestingly enough, scholars working on the impact of capital investment outflows to China on Taiwan's economy have found few indications of negative consequences on Taiwan's unemployment rate, total exports, and labour productivity in the manufacturing sector. See Tun-jeng Cheng, "Doing Business with China: Taiwan's Three Main Concerns," *Asian Program Special Report*, No. 118, Washington D.C., Woodrow Wilson International Center for Scholars, 2004; Douglas B. Fuller, "The Cross-strait Economic Relationship's Impact on Development in Taiwan and China," *Asian Survey*, Vol. 48, No. 2, 2008, pp. 239-264; Douglas B. Fuller, "ECFA's Empty Promise and Hollow Threat," in Jean-Pierre Cabestan and Jacques Delisle (eds), *Political Changes in Taiwan Under Ma Ying-jeou. Partisan Conflict, Policy Choices, External Constraints and Security Challenges*, London, New York, Routledge, 2014, pp. 85-99; Lai Su-ling and Chang Hsiu-yun, "Taishang fu dalu touzi zaocheng Taiwan chanye kongdonghua de misu?" (Does Taiwan's Foreign Investment in China Cause Hollowing-out of Taiwanese Industries?), *Dianzi shangwu xuebao* (Journal of E-Business), No. 14, 2012, pp. 233-255. Rising unemployment seems to be much more related to global economic crises or ongoing structural change in the manufacturing sector, while the Chinese economy offers Taiwan's labour force a fall-back position. Fuller's 2008 article is particularly telling with regard to the effectiveness of industrial adjustment to the "moving" out of Taiwan's major industries in the electronics sector (semiconductors, flat-panel displays, mobile devices). He argues that the high end of the entire production process has so far remained in Taiwan and has ensured the global competitiveness of these businesses.
15. See Tse-Kang Leng, "Dynamics of Taiwan-Mainland China Economic Relations," *Asian Survey*, Vol. 38, No. 5, 1998, pp. 494-509; Jenn-Hwan Wang and Chen-Kuai Lee, "Global Production Networks and Local Institution Building: The Development of the Information-Technology Industry in Suzhou, China," *Environment and Planning*, Vol. 39, No. 8, 2007, pp. 1873-1888.
16. See You-tien Hsing, "Blood, Thicker Than Water: Interpersonal Relations and Taiwanese Investment in Southern China," *Environment and Planning*, Vol. 28, 1996, pp. 2241-2261; You-tien Hsing, "Building *Guanxi* across the Straits: Taiwanese Capital and Local Chinese Bureaucrats," in Aihwa Ong and Donald Nonini (eds), *The Cultural Politics of Modern Chinese Transnationalism*, London, New York, Routledge, 1997, pp. 143-164.
17. See Jieh-min Wu, "Strange Bedfellows: Dynamics of Government-business Relations Between Chinese Local Authorities and Taiwanese Investors," *Journal of Contemporary China*, Vol. 6, No. 15, 1997, pp. 319-346; Jieh-min Wu, "State Policy and *Guanxi* Network Adaptation in China: Local Bureaucratic Rent-seeking," *Issues & Studies*, Vol. 37, No. 1, 2001, pp. 20-48.
18. Jieh-min Wu, "State Policy and *Guanxi* Network Adaptation in China: Local Bureaucratic Rent-seeking," *art. cit.*, p. 39.
19. *Ibid.*, p. 48.
20. See Chun-yi Lee, "Between Dependency and Autonomy – Taiwanese Entrepreneurs and Local Chinese Governments," *Journal of Current Chinese Affairs*, Vol. 39, No. 1, 2010, pp. 37-71; Chun-yi Lee, *Taiwanese Business or Chinese Security Asset? A Changing Pattern of Interaction between Taiwanese Businesses and Chinese Governments*, London, New York, Routledge, 2012; Chun-yi Lee, "From Being Privileged to Being Localized: Taiwanese Businessmen in China," in Kuei-fen Chiu, Dafydd Fell et al. (eds), *Migration to and from Taiwan*, *op. cit.*, 2014, pp. 57-72.
21. See Weng Hai-ying and Feng Xiao-yun, "Jinrong haixiao hou Guangdong taishang de zhuanxing shengji dongxiang ji tiaozhan" (Trends and Challenges Concerning the Transformation and Upgrading of Guangdong's Taishang after the Financial Tsunami), *Yatai jingji*, No. 2013/1, pp. 128-134; Cao Xiaoheng, Gao Yi et al., "Dalü taizi qiye zhuanxing de diaoyan yu sikao: jiyu Zhangsanjiao, Zhushanjiang deng taizi qiye jiqu diayaoan fenxi" (Survey and Reflections on the Transformation of Taiwan-invested Companies on the Chinese Mainland: Survey Analysis of the Gathering Districts of Taiwan-invested Companies in the Pearl River and Jiangzi River Deltas), in Tung Chen-yuan and Cao Xiaoheng (eds), *Liang'an jingmao guanxi de jiyu yu tiaozhan* (Challenges and Opportunities for Cross-strait Economic and Trade Relations), Taipei, Hsin-rui wen-chuang, 2013, pp. 95-111.

lations and their development under the conditions of intensifying global capitalism. Some scholars have argued that Taishang companies have had to adapt their management model of family or “ethnically”-based Taiwanese leadership to the challenges of necessary expansion and organisational complexity, hence reducing the social and class distance between Taiwanese and mainland Chinese staff.⁽²²⁾ However, others have tended to believe that this distance, as manifested most visibly in the hierarchical relations between Taiwanese managers and Chinese workers and the military-style management of many Taiwanese firms, would prevail, hence setting a Taiwanese company clearly apart from its domestic and foreign competitors.⁽²³⁾ Today, it is quite clear that Taishang-owned companies face serious problems pertaining to leadership succession, as the “second generation” offspring are little inclined to take over from their parents because of the huge challenges that arise when trying to adapt a family business to the changing market environment in China – a problem that, as we found in our fieldwork, domestic private entrepreneurs also have to face. Consequently, in order to secure their future, Taiwanese companies will probably need to recruit increasing numbers of Chinese leading personnel, which in turn will probably gradually lead to flatter intra-firm hierarchies and labour relations – a topic that has not yet been thoroughly researched.⁽²⁴⁾

Meanwhile, the question of strengthening or restricting cross-strait economic relations seems to be polarising Taiwanese society more than ever. The “Sunflower Movement” in early 2014 insisted on a more thorough screening of cross-strait trade agreements in order to protect Taiwan from Chinese economic (and political) domination. Among its main targets, in addition to the Ma government, were the big conglomerates (*caituan* 財團), which, it was alleged, were only interested in making a profit and were ready to sell out Taiwan’s sovereignty in exchange for a lucrative trade deal with China. In fact, the “government-business” nexus has become the main enemy of those opposing the KMT’s China policy. All new cross-strait trade deals have been stalled and must wait for the 2016 presidential elections. But no matter what the outcome may be, the real question is: What can Taiwan expect from further economic integration across the Taiwan Strait? Does it mean that the island economy will be drained of all its vitality and eventually colonised by mainland Chinese capital as parts of Taiwan’s highly politicised civil society predict?⁽²⁵⁾ Or are those voices, including Taiwan’s entrepreneurs, correct who insist that cross-strait economic integration is the only way out for the sluggish Taiwanese economy – by forcing Taiwan’s domestic companies to face global competition and helping its most innovative businesses to become an integral part of an evolving global economy? As our fieldwork has shown, many Taishang are frustrated with their compatriots who, they say, fear to “ride the Chinese tiger” from which there is no escape in any case. They are disillusioned with their government, which is unable to help them to solve their problems in China or to enforce policies that could improve their economic opportunities back home so that many of them would not be forced to leave Taiwan in the first place. In a way, nothing has changed since the early days of the economic “turn to China” in the late 1980s, when Taiwan was dragged, irrevocably, into the “Chinese orbit” by economic structural change and the entrepreneurial spirit of Taishang.

Taishang and cross-strait social relations

As has been mentioned above, Taishang were the first group of Taiwanese to take up long-term residence in China and were soon identified by sociologists as a social constituency that could assist in testing the “compati-

bility” of the societies on both sides of the Taiwan Strait. Since the early to mid-2000s, numerous studies have investigated the extent to which Taishang (Taiwanese) have become integrated in Chinese society and how they perceive their host society. This research focus was closely connected to the question of identity change over time and how this change might influence Taishangs’ perception of their Taiwanese homeland. This strand of research was therefore interested in the process of cross-strait social integration and, although more implicitly, its impact on the political relationship between Taiwan and China. Scholars in this field also linked their findings on cross-strait migration to the evolving field of transmigration studies that figures so prominently in contemporary sociology. These studies have overwhelmingly ascertained that the social integration of Taishang – and the Taiwanese in general – in Chinese society is limited at best.

In a number of studies, Taishang are described as primarily economic animals who are not very much concerned with identity issues when it comes to selecting an investment site or operating a business in a challenging environment, and tend to focus on their supply chains and cluster structures. However, our fieldwork has also shown that Taiwanese entrepreneurs of mainlander descent see things quite differently from *bentu* Taishang and perceive their migration to China as some sort of “homecoming.”⁽²⁶⁾ These entrepreneurs are described as well positioned to integrate smoothly into their host society, where money and economic success counts for much. However, other studies have pointed at the importance of the identity factor for Taishang when relating themselves to their social environment. For instance, Gunter Schubert found that Taiwanese entrepreneurs remain very much attached to their homeland no matter how long they have worked

22. See Peng Fang, “Jishi gangong de baquan tizhi: dui Huanan yijia jiagong chukou taizichang de laoding tizhi yanjiu” (The Hegemonic Regime of Working Against the Clock: The Factory Regime of a Taiwanese-invested Factory in South China), *Taiwan shehuixue* (Taiwanese Sociology), No. 14, 2007, pp. 51-100; Lin Chia-huang, Lin Chih-jung et al., “Shijie shi pingdeng de? Quanguohua, zaidihua yu dalu taizi qiye: tai lugan guanxi” (Is the World Equal? Globalisation, Localisation, and Taiwan-invested Companies on the Chinese Mainland: The Relations between Taiwanese and Chinese Management Personnel), in Keng Shu, Gunter Schubert et al. (eds), *Taishang yanjiu* (Taishang Studies), op. cit., pp. 301-339.
23. See Deng Jianbang, “Jiejìn de juli: Zhongguo dalu taizi changde hexin dalu uangong yu taishang” (Intimate Distance: Taishang and Core Chinese Workers in Taiwan-invested Companies on the Chinese Mainland), *Taiwan shehuixue*, No. 3, 2002, pp. 211-251; Huang Yan, *Quanguohua yu Zhongguo laodong zhengzhi de zhuanxing: lai zi Huanan diqu de guancha* (Globalisation and the Transformation of Chinese Labour Politics: Observations from Southern China), Shanghai, Shanghai renmin chubanshe, 2011.
24. However, Deng Jian-bang and Wei Ming-ju conducted an interesting study on second generation Taishang in the Pearl River Delta that seems to contradict this assumption. Younger Taishang very much rely on ethnic solidarity and organisational trust to steer their companies through the rough-and-tumble of the Chinese economy. See Deng Jian-bang and Wei Ming-ju, “Jiating qiye yu shidai bianqian: yi Zhushanjiào diqu zhizaoye taishang weilì” (Family Firms and Generational Change: Taiwanese Manufacturing Businesses in the Pearl River Delta), *Zhongguo dalu yanjiu*, No. 53, 2010, pp. 25-51.
25. Interestingly enough in this context, the entry of Chinese investment capital into Taiwan was officially approved during the first Chen administration in October 2003, by a revision of the “Statute Governing the Relations of the People of the Taiwan Area and the Mainland Area” from 1992. As a matter of fact, illegal Chinese investment in Taiwan already amounted to billions of Taiwanese dollars in the late 1990s, although this money was difficult to trace at the time. For details, see Joseph Y. S. Cheng and Shixiang Mo, “The Entry of Mainland Chinese Investment into Taiwan: Considerations and Measures Adopted by the Taiwan Government,” *China Information*, Vol. XXII, No. 1, 2008, pp. 91-118.
26. See Wang Hsin-hsien, “Wu yi lei ju: Taiwan IT chanye dalu touzi de qunju xianxian yu lilun fenxi” (Birds of a Feather Flock Together: Analysis of the IT Industrial Cluster Phenomenon of Taiwanese Business Investment in China), *Zhongguo dalu yanjiu* (Mainland China Studies), Vol. 47, No. 3, 2004, pp. 85-109; Chang Chia-ming and Chiang Sheng-che, “Suzhou Taishang de zhengqi guanxi: zhidu xiangqian yu bijiao guandian de kaocha” (Government-Business Relations in Suzhou: An Investigation of Institutional Embeddedness and Comparing Viewpoints), *Zhengzhi xuebao* (Political Science Review), No. 44, 2007, pp. 25-65; Keng Shu and Lin Chia-huang, “Deng tang wei rushi: xinren jigou, xielu wangluo yu taishang chanye qunju de moshi” (Going Through the Hall without Going into the Chamber: Inter-personal Trust and Exclusionary Networks among Taiwanese Manufacturers in the Yangtze Delta), *Shehui kexue luncong*, No. 2, 2008, pp. 91-126.

and lived in China.⁽²⁷⁾ However, they tend to display a "situational identity" in the sense that they switch between defining themselves as "Taiwanese" or "Chinese" depending on the social context, often invoking descriptors such as "transnational," "cosmopolitan," "global," or "hybrid" to position themselves beyond a simplistic "either-or" antinomy.⁽²⁸⁾

Nevertheless, there is much evidence in our data to suggest that Taishang have a deeply entrenched Taiwanese identity that changes very little over time and is simply overlain by the above-quoted "transnational speak" for avoiding awkward discussions with their fellow Chinese.⁽²⁹⁾

In general, Taishang (and other Taiwanese people) perceive a considerable "identity gap" between themselves and their Chinese host society with respect to cultural ("ethnic") identity, lifestyle and habitus, and political (civic, national) identity.⁽³⁰⁾ Against this background, Lin Rui-hua put forward the hypothesis that the fact of belonging to the same class might change identity more than other group-specific features, thus facilitating the social integration of Taiwanese migrants in China.⁽³¹⁾ However, her findings failed to verify this assumption: despite the fact that belonging to the same class creates bonds between Taiwanese and Chinese in high-end residential quarters in urban China, it does not eradicate the feeling of being distinctly Taiwanese in terms of lifestyle, habitus, and culture, which sets all the Taiwanese apart from their Chinese environment. Apparently, at this point in time, class formation has not led to a changed identity, although this could still eventually happen.

Lin Ping, for his part, has written extensively on the identity experiences of different groups of Taiwanese in China, for example, Taiwanese residents, mainland Taiwanese, and female Taiwanese teenagers in Taiwanese schools.⁽³²⁾ The quintessence of his work is that no matter what specific social constituency one is dealing with, Taiwanese identity – although it may be gradually changing and evolving into an "in-between-category" that no longer fully matches what is defined as Taiwanese identity in Taiwan proper – does preclude the genuine social integration of Taiwanese migrants in China; they remain "Taiwanese" in some way, building their identity, at least in good part, by othering "the Chinese."⁽³³⁾

A different strand of research concerned with cross-strait social integration has dealt with Chinese immigration in Taiwan, and particularly with the issue of cross-strait marriages. Scholars have studied the impact of these marriages on Taiwan's social fabric, including the ways in which mainland spouses adapt to life in Taiwan and the ways in which they are perceived by the Taiwanese, as well as civil society mobilisation and NGO formation, which are often discussed in conjunction with the struggle of mainland spouses for the liberalisation of Taiwan's immigration policies.⁽³⁴⁾ Although this literature does not specifically refer to Taishang, it shows quite clearly that the social integration of Chinese (brides) in Taiwan touches upon questions of identity, nationalism, traditional values, partisan politics and national security, which makes it a much more politically sensitive issue than the social integration of Taiwanese migrants on the mainland.

Currently, cross-strait student exchanges are on the rise, and the fact that ever more Chinese companies are allowed to do business in Taiwan points toward a future with steadily increasing numbers of Chinese white-collar workers and professionals in Taiwan. At the same time, young Taiwanese entrepreneurs do not hesitate to leave for China to start a business or set up branch offices of their companies back home. In fact, the trend toward strengthening cross-strait social relations is irrevocable, no matter how the political elites and decision-makers on both sides may view it. This will continuously enhance mutual knowledge and, hopefully, empathy, thus laying

27. See Gunter Schubert, "The Political Thinking of the Mainland Taishang: Some Preliminary Observations from the Field," *Journal of Current Chinese Affairs*, Vol. 39, No. 1, 2010, pp. 73–110.
28. Chen, Keng et al., in an investigation based on a representative telephone survey conducted in Taiwan, pointed at the complex relationship between interest and identity, with the latter very much contextualising the former. However, this survey did not target Taishang specifically. See Chen Lu-hui, Keng Shu et al., "Lixing zili huo ganxing rentong? Yingxiang Taiwan minzhong liang'an jingmao lichang yinsu de fenxi" (Interest-driven or Identity-based? An Analysis of Taiwanese People's Positions on Cross-strait Economic Exchanges), *Dongwu zhengzhi xuebao* (Soochow Journal of Political Science), No. 27, 2009, pp. 87–125.
29. In his 2010 article, Schubert noted that the situational identity he had encountered appeared to have been internalised by many of his Taishang respondents. However, this contention cannot be confirmed on the basis of our more recent fieldwork data. Although the respective samples are small and do not overlap, it is possible to hypothesise that a "Taiwanese identity" does not conflict with a "transnational identity" and that the former is deeply entrenched whereas the latter is rather "situational." See Gunter Schubert, "The Political Thinking of the Mainland Taishang: Some Preliminary Observations from the Field," *art. cit.*
30. See Keng Shu and Lin Chia-huang, "Deng tang wei rushi: xinren jiegou, xielu wangluo yu taishang chanye qunju de moshi" (Going Through the Hall without Going into the Chamber: Inter-personal Trust and Exclusionary Networks among Taiwanese Manufacturers in the Yangtze Delta), *art. cit.*; Deng Jianbang, "Jiejing de juli: Zhongguo dalu taizi changde hexin dalu yuangong yu taishang" (Intimate Distance: Taishang and Core Chinese Workers in Taiwan-invested Companies on the Chinese Mainland), *art. cit.*; Chang Li-ke, Huang Dong-jyh et al., "Zuqun xiuxian yundong yu shehui huajian: dui Zhongguo dalu taishang manlei lianmeng de fenxi" (Ethnicity, Leisure and Social Boundaries: An Analysis of Taishang Slow-pitch Softball Leagues in Mainland China), *Huawai youqi yanjiu*, No. 22, 2009, pp. 55–80; Wei Min, "Yi Zhong yuanye' yu dalu taishang guojia rentong zhi chutan" (A Tentative Discourse upon the Relationships between the "One-China Principle" and the National Identity of Taiwanese Merchants in Mainland China), *Lianda xuebao*, No. 8, 2011, pp. 25–49; Lin Rui-hua, "Jiejing butong buxiang weimou: Dalu Taiwanren shehui rongru zhuangkuang zhi yanjiu" (Birds of a Feather Flock Together: Social Class and Social Assimilation of the Taiwanese in Mainland China), *Dongwu zhengzhi xuebao* (Soochow Journal of Political Science), No. 30, 2010, pp. 127–167; Lin Rui-hua and Keng Shu, "Zhongguo dalu de zifa xiehui yu gongmin shehui: Kunshan yu Dongguan taixiede ge'an yanjiu" (China's Spontaneous Associations and Civil Society: Case Studies on the Kunshan and Dongguan TBAs), in Keng Shu, Gunter Schubert et al. (eds), *Taishang yanjiu* (Taishang Studies), *op. cit.*, pp. 189–241. See, also, in this context, the studies dealing with the social distance between Taiwanese factory managers and Chinese white and blue-collar workers that come to roughly the same conclusions concerning the obstacles standing in the way of social integration on the part of Taiwanese migrants: Deng Jianbang, "Jiejing de juli: Zhongguo dalu taizi changde hexin dalu yuangong yu taishang" (Intimate Distance: Taishang and Core Chinese Workers in Taiwan-invested Companies on the Chinese Mainland), *art. cit.*; Liu Y., Wang P. et al., "Dalu taizi zhong de zuzhi 'duanlie' yu 'Taiwanren' qunti de shehui ronghe" (The Organisational "Split" in Taiwanese Companies on the Mainland and Social Integration of the Community of "Taiwanese"), in Keng Shu, Gunter Schubert et al. (eds), *Taishang yanjiu* (Taishang Studies), *op. cit.*, pp. 273–300.
31. See also Rui-hua Lin, Shu Keng et al., "Class or Identity Matters? The Social Assimilation of Taiwanese Sojourners in China," in Jenn-Hwan Wang (ed.), *Border Crossing in Greater China. Production, Community and Identity*, London, New York, Routledge, 2014, pp. 202–218.
32. See Lin Ping, "Cong juzhu kongjian kan Taiwanren dui Zhongguo dalu dangdide rentong (The Residential Segregation of Taiwanese People in China), *Taiwan Political Science Review*, No. 13, 2009, pp. 57–111; Lin Ping, "Wo de meili yu aichou: zai Zhongguo dalu de danshen Taiwan nüxing" (My Beauty and my Sadness: Taiwanese Single Women in China), *Renkou xuekan*, No. 41, 2010, pp. 111–151; Lin Ping, "Chinese Diaspora 'at Home': Mainlander Taiwanese in Dongguan and Shanghai," *China Review*, Vol. 11, No. 2, 2011, pp. 43–64; Lin Ping "Cong xuni dao xianshi de shenfen rentong: yi Dongguan yu Huadong taishang xuexiao de biyesheng weili (Memories of a Future Home: Teenagers from Taiwanese Schools in China), *Renkou xuekan*, No. 46, 2013, pp. 1–45.
33. See also Chen Chung-cheng, "Quanjihua xia de liang'an shehui jiaoliu yu huodong: yige cong tazhu zhuanxiang zishen de licheng" (Cross-strait Social Exchanges and Interaction: A Process from Other Towards Self), *Yuanjing jinghui jikan*, No. 1, 2008, pp. 39–73. Literature is also available on the (problematic) formation of "transnational" identities in China, which can be seen as part of the broader debate on transmigration. See Deng Jianbang, "Chixu de huijia: da Shanghai taiji jingli renyuande yimin shenghuo" (Continuous Homecoming: The Migrant Life of Taiwanese Management Personnel in Greater Shanghai), *Taiwan shehuixue*, No. 18, 2009, pp. 139–179; Horng-Luen Wang, "How are Taiwanese Shanghaiers?", *Positions*, Vol. 17, No. 2, 2009, pp. 321–346; Yen-Fen Tseng and Jieh-Min Wu, "Reconfiguring Citizenship and Nationality: Dual Citizenship of Taiwanese Migrants in China," *Citizenship Studies*, Vol. 15, No. 2, 2011, pp. 265–282. As Keng, Schubert et al. have argued, the difference between the scholars who take this stance and those who find more evidence of a "thick" Taiwanese identity is often informed by diverging assessments, if not normative viewpoints, regarding the effects of globalisation. See Shu Keng, Gunter Schubert et al., "Taiwan and Globalisation. Reflections on the Trajectory of Taishang Studies," *art. cit.*
34. See Chen Chih-jou and Yu De-lin, "Taiwan minzhong dui wailai pei'ou yimin zhengce de taidu" (Attitudes of the Taiwan Public toward Immigration Policies Regarding Foreign Spouses), *Taiwan shehuixue* (Taiwanese Sociology), No. 10, 2005, pp. 95–148; Chen Chung-cheng, "Quanjihua xia de liang'an shehui jiaoliu yu huodong: yige cong tazhu zhuanxiang zishen de licheng" (Cross-strait Social Exchanges and Interaction), *op. cit.*; Winnie King, "Taiwanese Nationalism and Cross-Strait Marriage: Governing and Incorporating Mainland Spouses," in Gunter Schubert and Jens Damm (eds), *Taiwanese Identity in the Twenty-first Century: Domestic, Regional and Global Perspectives*, *op. cit.*, pp. 176–196; Yu-Chin Tseng, Isabelle Cheng et al., "The Politics of the Mainland Spouses' Rights Movement in Taiwan," in Kuei-fen Chiu and Dafydd Fell (eds), *Migration to and from Taiwan*, *op. cit.*, pp. 205–226; Lara Momesso, "Between Official and Concealed: Reconsidering the Status of Mainland Spouses in Contemporary Taiwan," in Astrid Lipinsky (ed.), *Immigration Societies. Taiwan and Beyond*, Berlin, Münster, LIT, 2015, pp. 171–193; Wan-Ying Yang, "The Differentiated Civil, Social, and Political Rights of Female Mainland Spouses in Taiwan," in *ibid.*, pp. 105–126.

a solid and enduring foundation for friendly civic relations across the Taiwan Strait in the future. Certainly, Taishang will have an important role to play here, as they have in the past.

Taishang and cross-strait political relations

Apart from being crucial for cross-strait economic and social relations, the significance of Taiwanese entrepreneurs for the political relationship across the Taiwan Strait has triggered the most vigorous and controversial discussions among partisan political observers and journalists. Taishang were either perceived as an important, even powerful, constituency to facilitate communication across the Taiwan Strait, especially in times of frosty bilateral relations such as those during the Chen Shui-bian era, or as apolitical animals who found it easy to turn their backs on Taiwan and would even be willing to "sell out" Taiwan if this offered them opportunities for making good profits in the booming Chinese economy. In their efforts to make sense of the available empirical data, political scientists have presented a more balanced picture. While it is beyond argument that Chinese government bureaucracies at the national and local levels are decisive for Taiwanese entrepreneurs because of the discretion they enjoy to shape their business environment, scholars have seriously questioned the idea that Taishang could be easily forced into becoming agents of China's Taiwan policy: the leeway for the Chinese government to enforce sanctions against Taishang in order to influence the Taiwanese government is indeed limited due to the economic and political costs such action would entail.⁽³⁵⁾

Particular attention has been paid to the rise of Taiwanese Business Associations (TBAs) on the mainland since the late 1990s, when scholars began to investigate the capacity of these organisations to effectively safeguard Taishang interests and influence local and national politics in China. In spite of early optimism that the TBAs constitute effective Taishang interest groups, such an assessment was soon relativized when scholars found that the TBAs were unable to overcome the constraints that the CCP regime imposes on each and any social organisation operating in China.⁽³⁶⁾ TBAs tended to function as service platforms for their members to distribute business-relevant information and, most importantly, helped individual Taishang companies solve specific problems related to tax deductions, access to land, labour disputes, and business conflicts among Taishang. They were, however, unable to influence local Chinese policy-making in any meaningful way, although the relations between local TBAs and Chinese governments have gradually become more institutionalised.⁽³⁷⁾ TBAs have certainly played an important role in setting up *guanxi* between Taiwanese entrepreneurs and Chinese local cadres as much as between the latter and government officials and legislators (at both local and national levels) in Taiwan. In this sense, they continue to play a significant role in smoothing out cross-strait political relations.⁽³⁸⁾ At the same time, however, TBAs have never been able to develop sufficient meaningful collective agency to pursue an autonomous political agenda for safeguarding or promoting Taishang interests. Neither have they been an effective political agent for the PRC government in its quest for unification, although the TBAs tend to do what is expected of them in this regard, most notably mobilising Taishang to return to Taiwan and vote for the "pro-China" KMT in important elections.⁽³⁹⁾

In Taiwan proper, Taishang join numerous business associations that also lobby for their interests on the Chinese mainland.⁽⁴⁰⁾ However, as our recent fieldwork has shown, the input of these associations in the policy-making process is more limited than might be expected. They may be able to inform

the Taiwan government of various Taishang-related problems in China, to offer advice on specific policy proposals, or even come up with their own suggestions, but many of Taiwan's domestic business associations are still very much shaped by their corporatist past and tend to see themselves as conduits between their members and the government rather than as full-fledged interest groups pressuring the government on behalf of their clients. Many Taishang to whom we have spoken do not think that these organisations are of much help and complain that the business sector is, in fact, widely excluded from cross-strait trade negotiations. This reproach is certainly exaggerated, since the government is very much aware of the specific problems faced by Taiwanese entrepreneurs on the mainland, and there is regular communication between both parties at the regular (and highly cer-

35. See Tun-Jeng Cheng, "Doing Business with China: Taiwan's Three Main Concerns," *Asian Program Special Report*, No. 118, Washington D.C., Woodrow Wilson International Center for Scholars, 2004; Keng Shu, "Tucheng muma? Taishang shequn de zhengzhi yingxiang fenxi" (A Trojan Horse? Analysis of the Political Influence of the Taishang), in Chen Teh-sheng (ed.), *Jingjin quanqiu hua yu taishang dalu touzi. Celue, buju yu bijiao* (Economic Globalisation and Taishang Mainland Investment: Strategy, Arrangement and Comparison), Luzhou, Jingdian wenhua, 2005, pp. 111-147; Keng Shu and Lin Chung-sheng, "Quanqiu hua beijing xia de liang'an guanxi yu taishang juece" (Cross-strait Relations and the Roles of the Taishang behind the Background of Globalisation), *Zhongguo dalu yanjiu*, No. 48, 2005, pp. 1-28; Shu Keng and Gunter Schubert, "Agents of Taiwan-China Unification? The Political Roles of Taiwanese Business People in the Process of Cross-Strait Integration," *Asian Survey*, Vol. 50, No. 10, 2010, pp. 287-310. In their 2010 article, Keng and Schubert developed a typology of Taishang agency and distinguished between Taishang as China's hostages, as China's agents, as Taiwan's "buffer," and as Taiwan's lobbyists. They found that any pressure placed on Taiwanese entrepreneurs with the objective of steering Taiwan's domestic politics would be either too costly for the Chinese economy or simply ineffective. The latter, as we argued, would also be true if China tried to make Taishang act as agents of its unification policy, because of their socio-economic heterogeneity and their lack of any strong lobbying organisations in Taiwan. With respect to Taishang's role as lobbyists of the Taiwan government, the authors were more cautious and suggested the possible evolution of Taiwanese Business Associations (see below) into more effective lobbying groups in conjunction with the opening-up of the Chinese political system and, arguably, more influence on a KMT-led government in Taiwan. See Shu Keng and Gunter Schubert, "Agents of Taiwan-China Unification? The Political Roles of Taiwanese Business People in the Process of Cross-Strait Integration," *art. cit.*
36. See Li Tao-cheng and Hsu Hsiu-mei, *Jingshang Zhongguo: Dalu gedi taishang de zhuanqian jingyan* (Doing Business in China: The Money-making Experiences of Taishang Everywhere), Taipei, Shangxun wenhua, 2001; Chen-Yuan Tung, "Cross-Strait Economic Relations: China's Leverage and Taiwan's Vulnerability," *Issues & Studies*, Vol. 39, No. 3, 2003, pp. 137-175.
37. See Keng Shu and Lin Rui-hua, "Zhidu huanjing yu xiehui xiaoneng: Dalu taishang xiehui de ge'an yanjiu" (Institutional Environment and Organisational Effectivity: A Case Study on Taiwan Business Associations on the Mainland), *Taiwan zhengzhi xuekan*, No. 11, 2007, pp. 93-171; Chun-yi Lee, "When Private Capital Becomes a Security Asset: Challenging Conventional Government/Business Interaction," *East Asia*, Vol. 25, 2008, pp. 145-165.
38. This is a point that Chinese scholars particularly emphasise; see, for example, Huang Yizhong and Xiao Erhong, "Tigao liyong taizi zhiliang he shuiping de youyi tansuo" (A Useful Investigation of Improving the Use of Quality and Level of Taiwanese Capital), *Guangdongsheng shehui zhuyi xuebao* (Journal of Socialism of Guangdong Province), 2004, No. 4, pp. 60-64; Yi Cunyi, "Taizi qiye xiehui yu liang'an guanxi" (Taiwan-Invested Enterprises and Cross-strait Relations), *Taiwan yanjiu. liang'an jingmao*, No. 2, 2007, pp. 13-18.
39. Chuang Jung-chang, in his PhD thesis, presented an analysis of the TBAs' lobbying tactics, drawing on data obtained from a questionnaire that was circulated among 95 TBA officials, and complementing this with in-depth interviews of ten TBA chairmen. His findings included the information that TBAs tend to rely on the local Taiwan Affairs Offices (*guotaiiban*) on the mainland, while they turn to the semi-official Straits Exchange Foundation (SEF) in Taiwan when engaging in lobbying work. Small-scale forums (*zuotanhui*), lecture sessions, or unofficial banquets were named as the most efficient communication channels for solving Taishang-related problems. See Chuang Jung-chang, *Dalu diqu taishang xiehui guanshuo xingwei zhi yanjiu* (Study on the Lobbying Behaviour of the Associations of Taiwanese Entrepreneurs on the Mainland), PhD thesis, Taipei, Chinese Cultural University, 2013. To our knowledge at the time of writing this article, this amounts to the most comprehensive study on TBAs available to date, but it has not provided many more new insights than those already reported in previous years. Since Chuang's respondents were all TBA officials, his findings were also somewhat biased with regard to the TBAs' self-proclaimed significance. As a matter of fact, Taishang who are not active members of TBAs have a quite different opinion on their effectiveness and consider them, at best, a fall-back option in cases where individual *guanxi* networks have been insufficient to solve a specific problem that has emerged.
40. The "big three" domestic business associations are the Chinese National Federation of Industries (*Zhonghua minguo quanguo gongye zonghui*), the General Chamber of Commerce of the Republic of China (*Zhonghua minguo quanguo shangye zonghui*), and the Chinese National Association of Industry and Commerce (*Zhonghua minguo gongshang xiejinhui*). There are, of course, numerous branch associations that also do a lot of work related to the mainland economic stakes of their members.

emonial) meetings between government officials and the heads of the mainland TBAs during the spring and autumn festivals, as well as when information is supplied informally or gathered by officials of Taiwan's Straits Exchange Foundation (SEF), one of whose main tasks is to serve the Taiwanese business community on the mainland. Moreover, there can be no question that Taiwan's China policy under the Ma administration since 2008 has been largely advantageous to their interests, leading to direct trade and transport across the Taiwan Strait, the ECFA, and other agreements that, even if they have not yet been cleared by the legislature, are of crucial importance for Taiwanese companies operating on the mainland.

Generally speaking, the formation of a coherent Taishang constituency with visible influence on Taiwan's China policy has been hampered by a number of factors: *internal fragmentation*, in terms of company size, sort of business (labour-intensive vs. capital-intensive/high tech), social background, (national) identity and political orientation, and *extreme caution on the political front* for fear of ideological stigmatisation in both China and Taiwan, which would be detrimental to protecting their overall economic interests. For these reasons, Taishang keep a low profile and abstain from any kind of public involvement in domestic politics or even collective action.⁽⁴¹⁾ Most importantly, however, the Taiwanese government – whether KMT or DPP-based – has to exercise extreme caution when dealing with China in order to avoid being branded as “selling out” to Beijing, which could entail the risk of electoral defeat. As a matter of fact, the delicate political position of the Taiwan government constrains the efforts of the business sector to push its agenda at the national policy-making level and also limits, arguably, the effectiveness of existing cross-strait government-business networks in influencing or manipulating policy-making in Taiwan.⁽⁴²⁾ If a “hegemonic project” is being pursued by the Chinese government, “unificationist” (and rent-seeking) KMT elites, and cross-strait capitalists to bring Taiwan into the “Chinese orbit,” as Wu Jieh-min, André Beckershoff and others contend, it certainly faces a tough opponent in the shape of Taiwan's vital democracy.⁽⁴³⁾ In fact, as our fieldwork has shown, the “logical alliance” between a “pro-China” ruling party, such as the KMT, and Taiwanese entrepreneurs with substantial business stakes in China is fraught with tension, disappointment, and frustration because of the latter's widespread feeling that they are being ignored by the Taiwanese government, which is often criticised for being hesitant and ineffective in helping Taishang. This holds also true for those big tycoons who have the most clout to press their course vis-à-vis policy-makers, as they are “sandwiched” between the governments of both sides of the Taiwan Strait and hence can only look out for a clientelist relationship with little “steering capacity.” However, this is hard to measure.

All things considered, the significance of Taiwanese entrepreneurs in the shaping of cross-strait political relations may be much more limited than is often assumed by Taiwan scholars (and partisan observers), even if we (as yet) lack the empirical data to assess the policy impact of the cross-strait networks and hidden policy circles that cause so much commotion in contemporary Taiwan.

Outlook

The common thread running through this article is the assumption that Taiwanese entrepreneurs operating on the Chinese mainland, who are often long-term residents in China, constitute an important “linkage community.” This means that they connect both sides of the Taiwan Strait with their economic, social, and political thinking and behaviour, and by substantially

shaping the cross-strait policy-making process in both China and Taiwan. Drawing on the relevant literature and the results of many years of fieldwork, this article has investigated the extent to which this hypothesis can be verified. In terms of cross-strait economic relations, the “linkage effect” has certainly been the most visible over the years, with Taiwan's economy becoming increasingly dependent on China and both sides, at least since 2008, being interested in pushing integration further ahead.

There are some serious questions concerning the consequences of this process for Taiwan's economy against a background of steady outflows of capital, expertise, and skilled labour. This debate is very much related to Taiwan's domestic politics and the protracted struggle between the ruling and opposing parties over the best China policy approach. One position in this debate holds that if new cross-strait trade agreements and investment regulations are continuously blocked by Taiwan's legislature, as well as fought over in the streets, Taishang business operations in China will be of little benefit for Taiwan: No taxes will be paid, no profits will be repatriated, no new investment will be undertaken on the island proper. However, other voices have been raised, domestically, to point out that Taiwan has faced this situation for a long time in any case, and must reduce its dependency on China for national security reasons. Hence, the government should do what it takes to induce Taiwanese entrepreneurs to return to Taiwan or help them reorient to other destinations. However, these voices are opposed by many experts and policy-makers in Taiwan who are convinced that cross-strait economic exchange is gradually helping Taiwan's companies to upgrade and become more competitive, and that Chinese capital investment in Taiwan offers a precious opportunity for the island's corporate and financial sector to go global. It is clear that the business sector supports this view and would prefer to “face the Chinese dragon” rather than run away from it – a futile endeavour in any case, as any Taishang would quickly add.

Taishang migration to China continues to be essential for cross-strait social integration as well, but as was noted earlier, social integration has its limits, since the Taiwanese residing in China have so far remained a distinct group in terms of their self-perception and the response of the host society, and there is little reason to believe that this will change any time soon. Even

41. Rather, the majority of Taiwanese entrepreneurs “bowl alone” by providing financial support for individual politicians during elections in order to be able to garner their support later in case of “need.” Although this strategy ensures that they have substantial influence on business in Taiwan's domestic politics, it is focused on individual interest-seeking and does not imply political coordination among Taishang. Hence their seemingly limited impact on national policy-making.

42. Wu Jieh-min, “Yi shangye moshi zuo tongzhan: kua haixia zhengzhi guanxi zhongde ‘zhengzhi daliren’” (Making United Front Work a Business: Political Agency in the Cross-strait Government-business Relations), Unpublished paper, Institute of Sociology, Academia Sinica, Taipei. Wu identifies eight such networks: the Lien Chan family, the KMT-CCP Forum (*Guo-Gong luntan*), the Cross-Straits CEO Summit (*Zijinshan fenghui*), the Boao Forum for Asia (*Boao yazhou luntan*), the Cross-Straits Peace Forum (*Liang'an heping luntan*), the Cross-Straits Economic and Trade Forum (*Haixia liang'an jingmao luntan*), the Taiwan Electrical and Electronic Manufacturers' Association (TEEMA), and the different Taiwanese Business Associations (TBAs) in China, including the national-level Association of Taiwan Investment Enterprises on the Mainland (*Taiqilian*).

43. See André Beckershoff, “The KMT-CCP Forum: Securing Consent for Cross-Straits Rapprochement,” *Journal of Current Chinese Affairs*, Vol. 43, No. 1, 2014, pp. 213-241; André Beckershoff, “Seizing the Transnational – Ideology, Hegemony, and the Doubling of China-Taiwan Relations,” *Spectrum: Journal of Global Studies*, Vol. 6, No. 1, 2014, pp. 1-21; Steve Tsang (ed.), *The Vitality of Taiwan: Politics, Economics, Society and Culture*, Basingstoke, Palgrave Macmillan, 2012. One highly controversial issue in contemporary Taiwan is media monopolisation by “China-leaning” Taishang: the Want Want Group's purchase of the *China Times*, China TV and CTI Television in 2008 is still referred to as the most critical case in this regard. Scholars have pointed at enforced pro-China reporting by the *China Times* since then, “embedded marketing” (the purchase of news reports by China from Taiwanese media), and direct subsidies for the Want Want Group (and others) granted by the Chinese government. See, for example, Chien-Jung Hsu, “China's Influence on Taiwan's Media,” *Asian Survey*, Vol. 54, No. 3, 2014, pp. 515-539; Ming-yeh T. Rawnsley and Chien-san Feng, “Anti-Media Monopoly Policies and Further Democratisation in Taiwan,” *Journal of Current Chinese Affairs*, Vol. 43, No. 3, 2014, pp. 105-128.

if they speak the same language and share a common cultural tradition, "blood is not thicker than water," and most Taiwanese keep a distance between themselves and their Chinese environment. The turn to China, it seems, is predominantly instrumental and only rationalised "ex post" as being culturally logical. The political stakes between China and Taiwan are far too high to allow the "one-China principle" to be internalised in a way that would entail a level of social integration where the simple fact of living together amicably is gradually bringing about the formation of a unified awareness of "all being Chinese, period."

Concerning political relations between Taiwan and China, it has been shown that the capacity of Taishang to have an impact on policy-making on both sides may have been over-estimated. They have not made an effort to become a collective actor by developing genuine organisational clout. Their informal power is dependent on political patronage and social networking, and these goals are pursued solely for the benefit of their individual business interests. For the time being, Taishang do not pursue coordinated strategies to safeguard their interest, nor have they developed any meaningful collective identity. Finally, the governments on both sides of the Taiwan Strait set them clear limits in terms of political agency. In fact, all the talk about mighty and manipulating tycoons notwithstanding, Taiwanese entrepreneurs hardly have the potential to figure as a pressure group in cross-strait relations, although they do help to maintain a number of communication channels across the Taiwan Strait.⁽⁴⁴⁾

This analysis provokes the question of which direction Taishang studies should take in the future, and also what the relevance of this research field is as a whole. Taiwanese entrepreneurs will remain a significant driving force of continuous economic change in China and the "sinification" of global value chains, hence (political) economists will find it interesting to watch the strategies they employ in order to adapt to the challenges of a changing Chinese economy, also from a comparative perspective. Moreover, the question of the "hollowing out" of Taiwan by continuous outflows of capital investment and skilled labour to China will remain on the research agenda, as will the gradual expansion of Chinese capital investment in Taiwan and its impact on the Taiwanese economy. Sociologists will continue to study the factors that facilitate and hamper the social integration of the Taiwanese in China and of the Chinese in Taiwan, and the impetus of cross-strait migration for research on global migration.

As far as political scientists are concerned, one particular topic of interest would be a more systematic investigation of the collusion between Taishang and political elites on both sides of the Taiwan Strait in what has been called a "hegemonic project" that is, allegedly, striving to control the Taiwanese

economy, manipulate the hearts and minds of the Taiwanese people, and eventually bring about cross-strait "political integration." Against this background, the monopolisation of strategic sectors within Taiwan's economy by mainland Chinese capital, assisted by Taishang, may become a "hot topic" in the coming years. The cross-strait government-business nexus as the antipode of Taiwan's revitalised civil society will then become a major focus of scholarly interest, especially if the DPP returns to power and the KMT then decides to go back to its second track party-to-party counter diplomacy that it so aptly initiated in the mid-2000s. Political scientists may also take a second look at Taishang interest representation and goal-oriented agency in mainland China by, for instance, investigating the changing relations between local governments and the Taishang community and the (possible) evolution of TBAs in the changing political environment across the Taiwan Strait. Finally, the question of identity change on the part of both the Taiwanese and the Chinese that may be triggered by cross-strait interaction over time will remain an interesting research topic for both sociologists and political scientists.

To put it in a nutshell: Taiwanese entrepreneurs will remain an interesting object of scientific inquiry, since they are believed to be a meaningful cross-strait "linkage community." As long as Taiwan scholars are interested in the development of cross-strait relations, some of them will certainly examine the thoughts and actions of Taishang, because they constitute an indispensable reference point for any analysis of the opportunities and pitfalls that globalisation presents for Taiwan.

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44. Some would argue that this is a good thing, because entrepreneurs who can control the state are more than inclined to subvert it to their group-specific profit-seeking, to the detriment of the public good. However, democratic theory holds that the business sector can as much undermine a democratic order as strengthen it by playing a responsible part within civil society.