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### “Doing Chineseness”: Taiwanese Capital in China

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**“Doing Chineseness”: Taiwanese Capital in China**

Shen Hsiu-hua (沈秀華)

In July 2001, Lee, a Taiwanese businesswoman at a business consulting firm in China, held a meeting to explain her investment plan to residents in Hangzhou, a city near to Shanghai, during which she asserted that “Taiwanese nationals” were very excited and proud to learn that Beijing would host the 2008 Olympic Summer Games. “The whole nation, twenty-three million people, have paid great attention to this matter,” Lee concluded. She had no more than uttered the words, however, when her audience began to contest her assumptions. A young man quickly stood up and asked the speaker: “What do you mean by Taiwanese nationals? Which nation are you talking about?” When Lee sought to atone for her remark, gently pleading with her audience to forgive this “small mistake,” she was greeted with further outrage. Another young male audience member pointed at her, warning that “this is not a small mistake. It is a big one.” Not knowing how to respond, Lee lapsed into silence as most of her audience rapidly dispersed.<sup>1</sup>

The disciplinary responses revealed in the case examined above illustrate the peculiar and historically specific distribution of political power experienced by Taiwanese nationals living and working in contemporary China. Lee’s unintentional breach of Chinese political protocol resulted from her paradoxical position of relative economic power in relation to her Chinese hosts, on the one hand, and of her internal classification by China, under its “One China Policy,” as a domestic subject held accountable to domestic rules and regulations, on the other hand. The hostile reaction of

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<sup>1</sup> From *Ettoday.com*, 07/16/2001. “Taiwanese business woman speaks of Taiwan as Country. Hangzhou audience protests by leaving the meeting” (in Chinese). At <http://www.ettoday.com/2001/07/16/301-521101.htm>.

the audience to Lee's remarks provides a microcosm for examining the specific forms of political subordination faced by Taiwanese nationals living within the Chinese state. Put another way, Taiwanese business people, though transnational middle class business people from a wealthier nation than that of their hosts are nevertheless politically marginalized and disciplined by the Chinese state and its citizens that claim Taiwan to be part of China. Indeed, cross-strait economic interactions have become a key site for the Chinese to exercise their nationalistic power over Taiwan and its business people in China in the process of economic globalization.

For some time, scholars from a variety of disciplines have given significant attention to the dynamic relationships between globalization and the development of the nation-states and nationalism (Appadurai 1996; Garrett 2000; Giddens 1985; Held 1990; Held & McGrew 2000; Hobsbawm 1997; Lash & Urry 1994; Ohmae 1995, 1994; Olds et al. 1999; Robertson 2001; Sassen 1998; Smith 1995). Two central debates throughout these works have focused on whether or not economic and cultural globalization has replaced or eroded nationalism and the nation-state system and whether or not national identity has lost some of its significance in global politics? While some of them might take an either/or stand toward these questions, most of them emphasize that the relationships between the global economy and nationalism are very complex and that more empirical studies on these subjects are needed in order to enhance our understanding of this complexity.

More specifically, scholarly and popular discourses about cross-strait political economy have tended to examine only macro-political issues and the opinions of high-ranking government officials (Chang 1997; Fu 1995; Hsia 1996; Qi 1998; Wu 1996).

Little research, however, has been done to document the actual lived political experiences of Taiwanese business people residing and working between Taiwan and China within the current context of cross-strait nationalist disputes. Investing in a country that claims Taiwan as a rogue province, Taiwanese business people in China are living and moving frontiers of cross-strait nationalist politics. Their immediate political experiences in China reveal how cross-strait economic activities are not only sites of Chinese and Taiwanese nationalist competition and confrontation, but also sites producing specific kinds of power relations between them and the Chinese host society and formulating their political subjectivities across the Strait. In this study I emphasize the disjunctive relations between economic globalization and nationalism on creation and maintenance of power relations and boundaries between individuals in a transnational space. Using Taiwanese business people's political experiences in China as case studies, I argue that the patterns of Chinese nationalistic discipline and coping strategies adopted by Taiwanese business people serve to create, maintain, and re-negotiate boundaries between Taiwanese business communities and their hosts. More generally, I propose that economic globalization across any given national borders simultaneously create both more favorable and less favorable political opportunities for nationalisms. The concurrently contradictory and collaborative relations between economic globalization and nationalism are crucial factors that contribute to the on-going boundary constructions between people transnationally and to the formation of transnational subjectivities.

### **Relations of Domination and Resistance**

My analysis as to how power relations are produced, exercised, negotiated, and circulated within a transnational economic space draws from the works of Michel Foucault and James Scott. Foucault's (1977, 1978, 1980) studies of power guide our attention to the sites where power is applied and exercised on people in actual experiences. For example, his work (1978, 26) on sexuality examines how, since the eighteenth century, as sexuality has become a public issue between the State and the individual, a whole web of "discourses, special knowledges, analyses and injunctions" have settled upon it and sexuality has become a site of regulation, management and discipline. According to Foucault, the operation of power is through discourse to manage, scrutinize, and discipline speech, meanings, and actions; new systems of discursive knowledge and techniques and surveillance are articulated and implemented. Power, for Foucault (1978, 92), is not as given but rather as "the multiplicity of force relations"; discourse "transmits and produces" power, but it can also be "a point of resistance and a starting point for an opposing strategy" (Foucault 1978, 101). In other words, "where there is power, there is resistance" (Foucault 1978, 95). Resistances, as plural forces, play the multiple roles of "adversary, target, support or handle in power relations" and always exist inside power relations (ibid).

Like Foucault, James Scott (1990) also considers power as a relation, the relation between "public transcript" and "hidden transcript." The public transcript is the official story of the domination and subordination where dominants exercise their technologies of domination and subordinates carry out appearance of consent in the presence of the dominant. Nevertheless, the public transcript does not represent the whole story of power relations (Scott 1990). Another domain of power relations, according to Scott (1990), is

the hidden transcript, the offstage discourse—gesture, speech, and practices-- that represents a critique of power spoken and conducted behind the face of the dominant. “Infrapolitics” is the term used for these daily acts of insubordination and the culture that sustains and the investigation of infrapolitics gives us a way of “readdressing the issue of hegemonic incorporation” (Scott 1990, 19). It is important to keep in mind that although the public and hidden transcripts are presented in opposition to each other here, the relations between the public and hidden transcripts are interconnected forms of power; one shapes the contents, forms, and forces of the other. Finally, both Foucault and Scott point out that subjectivity or identity is constructed through and shaped by the relations of power. The issue of subjectivity is an important one in studies of power relations.

Both Foucault and Scott’s understandings of power direct us to analyze the multiple ways in which power is organized. The paradoxical relations of Taiwanese and Chinese economics and politics make the political experiences of Taiwanese business people in China a compelling case study of power relations in the global process. Before examining the political experiences of Taiwanese business people and their families in China, I will provide an overview of the larger political structures and nationalistic agenda of Taiwanese investments in China and the data sources for this study in order to establish the specific social context in which the tensions of cross-strait political economy arise.

### **The Cross-Strait Economy: Sites of Nationalistic Competition and Anxiety**

Since 1949, the year the Chinese Communist Party (CCP) took over China and the Chinese Nationalist Party (KMT) retreated to Taiwan, the uneasy relationship between Taiwan and China has intensified due to nationalist disputes between these two parties.

From 1949 to the early 1980s, there was virtually no social or economic relationship or cooperation across the Taiwan Strait. Since the 1980s, however, a series of political and economic reforms in both societies have reversed these policies. In 1987, after almost forty years of virtual severance of the relations, Taiwan began to permit family and business travel to China. Since then, Taiwanese business people have rushed to visit China and, because of its large supply of low-cost labor and its cultural and linguistic affiliations, they have found it an appealing place for their investments. For about a decade, Taiwan has been one of China's largest "foreign" investors and hundreds of thousands of Taiwanese investors and managers and their families have worked and resided in China.

Long before any actual economic and social exchange took place across the Strait, however, China had already asserted its nationalistic agenda in respect of the cross-strait economy. In 1979, the year China officially opened the country to global capitalism; it issued "Temporary Regulations for Developing Trade with the Taiwanese Region." In this document, the Chinese authorities emphasized that cross-strait trade is "a special pattern of trade during a transitional period as Taiwan returns to the mother nation." Trade between Taiwan and China was "to enhance economic connections between these two societies and to attract as well as to unite Taiwanese business people to create a condition for reunification between Taiwan and China" (Chang 1997). In 1994, Chinese President Jiang Zemin, in a meeting with his cabinet on Taiwanese affairs, reaffirmed the "One China" policy and demanded that Chinese officials pay extra attention to Taiwanese investments in China. He stated that China should "attract Taiwanese capital, especially large investors, to the mainland. We want to make Taiwan and China's economy achieve a situation of 'you are in me and I am in you'-- a state of inseparability. Once we use the economy to



draw in Taiwan, we are on the road to promoting reunification.”<sup>2</sup> Because of China’s attractive investment environment and potential market to Taiwanese investors, cross-strait economic and trade activities have created a favorable political opportunity for the Chinese government to strategically impose its nationalist agenda upon Taiwan and its business people.

In contrast, confronted with China’s political intentions regarding the cross-strait economy, the Taiwanese authorities are concerned about Taiwan’s future political relations with China. In December 1991, the then chairperson of the Taiwanese Cross-Strait Foundation, Chen Chang-Wen, was already warning Taiwanese investors that, as “cross-strait economic and trade activities become more intense, our autonomy in directing cross-strait affairs will decrease.”<sup>3</sup> A decade later, these concerns remain paramount for Taiwanese business people as indicated by a February 2001 statement by the vice-director of the Mainland Affairs Council in Taiwan: “China takes cross-strait economic association as a means to integrate Taiwan’s economy into itself. So, gradually Taiwan will lose its economic autonomy and its sovereignty in dealing with cross-strait affairs.”<sup>4</sup> China’s agenda toward full incorporation and Taiwan’s unyielding aversion to this incorporation, coupled with proliferating and increasingly integrated trade across the Taiwan Strait, illustrates the contradictions between cross-strait economics and national visions, objectives and strategies.

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<sup>2</sup> *Commercial Times*, 5/15/2001, p. 11. “Using the economy to promote reunification and using business to surround politics: China’s Taiwan Policies have been formed” (in Chinese).

<sup>3</sup> *Commercial Times*, 12/29/1991. “Talking about Cross-Strait Economic and Trade Association from the Cross-Strait Foundation’s Perspective” (in Chinese).

<sup>4</sup> *People’s Daily*, 2/05/2001, p. 14. “Cross-strait policies should be based on the principle that the economy is separated from politics” (in Chinese).

Taiwanese concerns generally refer to the growing capital outflow to China, fearing that it could lead to the “hollowing out” of its own economy, as well as growing economic dependency on China and the formation of a Taiwanese business lobby with an economic incentive for merging with the mainland at the expense of Taiwanese sovereignty (Lin 1993, 785; Qi 1998, 8). In other words, the Taiwanese government is concerned that the increasing cross-strait economic interdependence is creating a less favorable political opportunity for Taiwan’s independence from China. Thus, before the middle of 2001, “restraint and exercising patience” was the principal policy adopted by the Taiwanese government in managing cross-strait economic development. Taiwanese authorities imposed various rigid regulations on trade and investments with China, and warned Taiwanese business people to proceed cautiously and slow down their investments in China. Although recently, under pressure from its internal economic development and its business group, Taiwan has attempted to relax its policies on cross-strait trade, public concerns toward the recent open cross-strait economic exchanges are still very reluctant. Even, Annette Lu, the new vice president of Taiwan, has openly asked Taiwanese business people how, when China has established more than 300 missile sites targeting Taiwan along its coastal areas, they could have exchanged “a lot of Taiwanese dollars into US dollars and brought them to China?”<sup>5</sup> Due to their economic power, Taiwanese business people in China are quite able to negotiate with the Taiwanese authorities cross-strait economic policies that are in accord to their economic interests. Yet, at the same time, their trade activities in China are perceived to be dangerous to Taiwan’s national autonomy.

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<sup>5</sup> From *Yam.com*, 4/06/2001. Lu Annette commented that China has deployed several hundred missiles and other military forces targeted at Taiwan, yet, Taiwanese business people have continued to massively invest in China. (in Chinese). At <http://news.yam.com/can/politics/news/20010406.htm>.

On the other side of the Taiwan Strait, China has taken two major approaches to achieve its political intentions regarding cross-strait trade activities. On the one hand, in order to create a basis on which to forge political reunification and to encourage Taiwanese business people to invest in China, local and national Chinese authorities have offered additional financial incentives and other preferential treatment to Taiwanese business people, on top of those already granted to all foreign investors (Qi 1998, 6). In addition, China has imposed a “One China Policy” which it envisages as the fundamental governing principle for the political conduct of Taiwanese business communities in China and for cross-strait economic intercourse. Despite Taiwanese assertions to the contrary, Chinese authorities dismiss, to the extent permitted by international politics and by the demographic, geographic and military disparities between them, the national sovereignty of the Taiwanese government, considering it nothing more than a rogue internal Chinese government that must relinquish its title and status in order to facilitate reunification and the establishment of the so-called “three direct links,” direct trade, direct transportation, and direct postage with China. As a result of this stance, China has refused to sign any “national” treaties establishing diplomatic or investment protection between the two states. China’s assumption of sovereignty over its small neighbor, however, is also bolstered by the giant’s concern that Taiwan may use its superior economic power not just to bargain for its own political future but, through a network of Taiwanese investors in China, to challenge internal Chinese control (Lin 1993; Hsia 1996). Consequently, China has been very attuned to the political implications and consequences of this ‘foreign’ economic presence in China.

**Methodology: An Ethnography of the Nationalistic Frontier in Coastal China**

The primary material for this study comes from intensive observations and in-depth interviews with Taiwanese business people and their wives in the special economic zones in the coastal regions of China where most Taiwanese firms are located. Between 1999 and 2005, I made several visits to Dongguan and Shenzhen in the province of Guangdong, Xiamen City in the province of Fujian, and Shanghai and Kunshan City, located at the Shanghai-Nanjing Economic Corridor in China. Throughout my fieldwork, I conducted 131 interviews with Taiwanese investors and managers, twenty-four of whom were women. In addition, thirty-seven interviews were carried out with the Taiwanese wives of male Taiwanese business people. The interviews often took from 2 to 4 hours. Some subjects were interviewed several times over the course of this research.

A snowball sampling method was selected for this study for two reasons. First, since no comprehensive list of Taiwanese business people in China exists, initial contacts were based upon my personal network in Taiwan. Second, since some of the questions were very sensitive in nature, the trust of my interviewees in China was essential. Consequently, these initial contacts “snowballed” to share personal contacts in China prior to my departure there to do my fieldwork. Once there, these shared personal contact provided new referrals in China. The purpose of the interviews was to examine via personal narratives how Taiwanese and Chinese politics and economics are experienced and interpreted to create multiple subjectivities as well as to create and transform social and power relations. Due to the highly sensitive nature of the interviews and to the need to protect my research subjects, all the names of the interviewees and some of their localities given in this paper are pseudonyms.

Most Taiwanese firms in China are small to medium-sized. The factories that I visited ranged from having two to approximately eighty Taiwanese managers, and the Chinese workers at these factories numbered from a few hundred to approximately ten thousand. The types of firms I visited were diverse i.e., computer, electronic manufacturing, agricultural, real estate, and furniture. During my research in China, I stayed with Taiwanese business people in their dormitories, usually inside or nearby the factories. These live-in arrangements within Taiwanese business communities enabled me to make close observations of the daily lives of Taiwanese businessmen and their associations with Chinese people. I accompanied my interviewees to visit other Taiwanese factories. I also attended their social events, such as personal banquets and meetings, as well as gatherings of Taiwanese Enterprises Associations (TEAs), organized by Taiwanese business people in the major economic development zones where Taiwanese firms are located.

In addition to the narratives obtained through this series of interviews and meetings, I accessed many newspaper and journal articles relevant to my study from throughout the last decade. The combination of interviews, live-in observations, travels between various regions, and documentary data enabled me to obtain the popular discourse and personal narratives regarding Taiwanese business people's political experiences in China. This data provided me with the opportunity to contextualize these experiences within specific social situations. The following sections of this study employ Michel Foucault and James Scott's understanding of power relations to illustrate Chinese nationalistic regulations and surveillance and Taiwanese business people's counter-strategies.

### **The Official Story of Mandating Chinese Identity**

In a broad Foucauldian sense, the transnational Taiwanese economic investment in China has opened a public stage for the Chinese state and its citizen alike to exercise the “One China Policy” and to claim nationalist authority directly and physically over Taiwanese business professionals in China. As China has managed cross-strait economic exchange as a means of achieving its nationalistic agenda, nationalism becomes “an issue” between the Chinese state and its people and Taiwanese business people in China. Taiwanese business people across the Taiwan Strait are perceived as *domestic political* subjects whose political ideology and conduct are taken both as objects of “analysis” and as targets of “intervention” in the language of Foucault (1978, 26). Chinese nationalism backed by its military, is imposed as the political norm and code and certain sets of technique and procedure are developed and utilized to mandate the political conduct and ideology of Taiwanese business people and their families in China. Formal and informal discipline and punishment is applied to them if they violate these norms. “One China Policy” becomes both “an instrument and an effect of power” (Foucault 1978, 101) that has the capacity to structure the political situation of Taiwanese business people and their families in China and to limit their political autonomy. In contrast to the privileges wielded by investors from other economically powerful nations in China, *mandating Chinese identity* makes this Taiwanese business class, either as targets of intervention by Chinese nationalism or as symbols of the Taiwan state, politically vulnerable and controversial in China. Due to the current authoritarian nature of Chinese political and legal systems, Taiwanese business people and their families in China, without diplomatic protection, are more likely to adopt an accommodationist tone and gestures in the face of the Chinese. In

this section, I will examine the official version of “One China” discourse forced upon Taiwanese business communities in China—the techniques of Chinese nationalistic domination and the practices of Taiwanese business people’s deference. Four official stories are examined here: erasing Taiwanese sovereignty, interfering in political participation, threatening military actions, and creating a discursive reality.

### **Erasing Taiwanese sovereignty**

Before I went to China for the first time in April 1999 to conduct this research, I received, like all other Taiwanese visitors to China, a special “visa” from China, the “Pass for Taiwanese Residents Traveling to the Mainland,” informally labeled the “Taiwanese Compatriot Pass” (*Taibaozheng*). In this document, I observed that the nationality section normally listed in visas was mysteriously absent, replaced by an assumed Chinese nationality, and that the city that I am from in Taiwan, not Taiwan itself, was listed to indicate my geographical origin, both concrete manifestations of the “One China Policy.”

I made the initial trip with a male Taiwanese accountant and research subject who worked in Dongguan for a Taiwanese electrical firm. Since direct flights are not permitted across the Taiwan Strait, we flew first from Taipei to Hong Kong. From there we took a train to Shenzhen, China’s so-called “window to the world.” As I was filling out an entry form to pass through Chinese customs, my companion peered over my shoulder and, with his voice lowered, strenuously advised me to indicate my nationality as Chinese rather than Taiwanese. If I entered under the latter, he continued in hushed tones, the attending officer would destroy the form and demand that I begin afresh, a situation that he had confronted during his first visit to China. I was surprised but anxious to avoid trouble and

to complete my research. I complied with his advice. Two years later, in September 2001, I revisited China, arriving in Shanghai and confronted this time with a two-sided entry form. One side of the form was written in English for “foreign travelers” and the other side was written in Chinese for Chinese nationals, including those from Hong Kong, Macau, and Taiwan. In this format, my nationality was institutionally proscribed to be Chinese, permitting me only to specify which region of the Chinese province of Taiwan that I hailed from.

By entering Chinese territory, in other words, Taiwanese sovereignty is literally erased from its subjects and an unquestionable Chinese identity mandated in its place. Confronting Chinese regulation and discipline, it is in the interests of Taiwanese business communities, at least in the immediate term, to comply with what the Chinese would wish them to perform politically. “Doing Chineseness” or restraining Taiwanese identity and adopting an apolitical stance, usually silence, are two major patterns of public coping strategies which Taiwanese business people and their families adopt to comply with the “One China” discourse. My interviewee’s advice to me to fill out Chinese as my nationality in the Chinese entry form and my acceptance of his suggestion demonstrate the domination of “One China” discourse and consenting appearances Taiwanese business communities perform in the face of the Chinese.

Another similar example regarding the Chinese strategy of erasing Taiwanese sovereignty was found in a Taiwanese firm producing popular computer software products in Shanghai. According to Ya, a Taiwanese administrative manager from this firm, the software for one of its items, produced in Taiwan, was stamped with a label revealing “Taipei, capital of the Republic of China” as the location of its factory of origin. This firm



was not initially notified of this fact and the product was already sold to parts of China in April 2000. Since China denies that Taiwan is an independent political entity, its official national title, Republic of China, is not allowed to appear in China. As a result, Chinese authorities came to search this firm with reporters from the Chinese Central TV station to specifically record for its audience the label, “Taipei, capital of the Republic of China”, and to show this firm’s wrongdoing to the Chinese public. The Chinese authorities demanded the recall of these products from the market and fined this firm 750,000 Chinese yuan (approximate exchange rate: \$8 RMB = US\$1).

In September 2000, the first School for the Children of Taiwanese Entrepreneurs, serving Taiwanese children of elementary to high school ages in China, was established by Taiwanese business people in Dongguan. This school, one of its founders told me when I visited there, had caused a major political furor upon its inception. Initially, Chinese authorities demanded that the school principal and teachers be Chinese but the business communities themselves, anxious to foster Taiwanese sensibilities in their children, emphasized the importance of Taiwanese leadership in the school. After considerable negotiation, the central Chinese authorities finally accept the demands of the Taiwanese business people but reserved the right to screen and censor any and all Taiwanese textbooks and to reject outright any text they deemed unsatisfactory, a right that, in one controversial case, has resulted in the banning of a series of textbooks entitled *Understanding Taiwan*. Similarly, at both of the schools I visited, references to Taiwan as an autonomous state, the lyrics to its national anthem and particular aspects of its history have been crudely obscured by blacked out boxes in the texts. As for a similar school in Kunshan, local Chinese authorities commanded in the fall of 2001 that the institute instruct

students that, “the Republic of China existed until 1949,” and that, “since October 1, 1949, it has been the People’s Republic of China,” thereby effacing the continued existence of the “Republic of China” in Taiwan throughout the past half century and acting to incorporate Taiwan into China.<sup>6</sup> In order to make up these lessons on Taiwan’s history and society, the schools arrange for their students to travel back to Taiwan to take short-term classes during summer and winter breaks.

Language is another area where the Chinese try to erase Taiwan’s independent identity. In Xiamen, located in the Minnan Region, Taiwanese business people whom I met often referred to the Taiwanese Hoklo language as the “Minnan” language. Although Hoklo is also called Minnan language in Taiwan, since it originally derived from the Minnan areas of China, Taiwanese business people whom I met outside the Xiamen area in China always referred to Hoklo as “Taiwanese.” I was very quickly aware of this difference and questioned my interviewees for explanations. The statement of Nung, a male manager in Xiamen, is representative of others in the city:

In Xiamen, the Taiwanese is language is called the Minnan language. People here have a strong [Chinese] nationalist sentiment. When we first came, we said that we were speaking Taiwanese. Local people were against the use of this term, Taiwanese,” and said that we were speaking the “Minnan” language and “not Taiwanese.” So now we refer to our language as “Minnan”.

These examples demonstrate that a new system of knowledge about Taiwan’s political status and history is repeatedly devised and imposed upon Taiwanese business people and their families in China. From China’s perspective, ‘Taiwan’ has to be purposefully re-invented, particularly its status as an independent political and cultural

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<sup>6</sup> From *Chinesenewsnet.com*, 12/19/2001. “Textbooks for the Hua-tung School for Children of Taiwan Entrepreneurs are required to excise and add content and the school is going to submit a petition to Chinese authorities” (in Chinese). At <http://www4.chinesenewsnet.com/cgi-bin/newsfetch.../cna-4f13b13c-foz1.htm>.

entity, in order to instill in Taiwanese business people and their children a Chinese identity consistent with its perception of Taiwan's role in China and its interpretation of Taiwanese and Chinese relations.

Knowing that the Chinese expect them to identify themselves as Chinese, Taiwanese business people and their families in China are intentionally “doing Chineseness” in the presence of the Chinese. For example, during my research in Xiamen between May and June 1999, I stayed for a good part of my visit in Mien's home. Mien settled in Xiamen with his wife and two children in 1991 and operated a family-owned grill-brush manufacturing factory. Mien associated with several Chinese and they often gathered together at house to drink and smoke. Whenever he got together with these locals, Mien repeatedly used the term, “our mother nation,” to refer to China in his conversation. In another example, Tan, a manager in a large computer firm in Kunshan, also told me that during his first few years in China, he had frequently said, “our mother nation [China] is great” in order to appease his Chinese hosts. He did that, he said, because he wanted to “assure” the Chinese and “gain their trust.”

On another occasion, I accompanied Du, a marketing manager in a hardware-manufacturing firm in Dongguan, to dinner with two local Chinese officials. Although I had visited Du's firm four times during my research and knew that he identified strongly as a Taiwanese citizen and supported the Taiwanese independence movement, he repeatedly spoke of “we Chinese” to the officials throughout the dinner. After the dinner, Du told me that I distinguished too clearly between “China” and “Taiwan” during our dinner conversation. Instead of using the term “China,” he advised me to use the term “mainland” to refer to China when I was speaking in the presence of Chinese people. For

Taiwanese to refer to China as “mainland” means to recognize Taiwan’s subsumed and subordinate status within the nation of China.

### **Interfering in political participation**

Another common means in which the Chinese impose their “One China Policy” upon Taiwanese business people is to interfere and redirect the ways in which Taiwanese business people view and participate in cross-strait politics. For instance, in March 2000, Taiwan held its second democratic presidential election. Before the election, central and local Chinese authorities directly and indirectly “advised” Taiwanese business people who had invested in China not to support Chen Shui-bian, the candidate representing the Democratic Progressive Party (DPP), a long-time opposition party advocating Taiwanese independence and the person who ultimately won the election. After the election, these authorities warned several leaders of the Taiwanese business people who were openly or privately associated with Chen that “China would not allow any individual Taiwanese business leaders, to simultaneously support Taiwanese independence while on the island and to make business profits on the mainland.”<sup>7</sup> Since then, these Chinese authorities have consistently harassed some Taiwanese firms, conducting relentless investigations into all aspects of their business operations, from environmental controls, to labor issues and tax requirements. In May 2001, the President of China, Jiang Zemin, even suggested that “China should distinguish those Taiwanese business people who support Taiwan independence from those who do not, and afford them different [economic] treatments.”<sup>8</sup>

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<sup>7</sup> *Commercial Times*, 5/15/2001, p. 11. “The frequency of harassment by Chinese authorities toward Taiwanese business people who support the Chen Shui-bian government has increased” (in Chinese).

<sup>8</sup> *People’s Daily*, 5/29/2000, p. 2. “China will distinguish Taiwanese business people who support and those who do not support Taiwanese independence” (in Chinese).

According to Chinese authorities, once Taiwanese business people establish investments in China, their political ideologies and activities inside Taiwan, particularly related to cross-strait relations, are subjected to Chinese investigation, judgment, and discipline. By disrupting or privileging investments based on their approval of the views expressed by these business leaders, Chinese authorities vigilantly monitor and exert pressure in order to control these investors and to punish and correct those who deviate from the prescribed course. Since the ability to continually secure investment status and profit in China is on the top of Taiwanese business people's list of priorities, this specific Chinese strategy of imposing "One China" upon Taiwanese business people is likely to be effective. This is exemplified by one of these Taiwanese firms identified by Chinese authorities as a supporter of Chen. In order to "clarify" its political position to China, the company submitted a videotape to the Chinese authorities, evidently to confirm that Chen Shui-bian's visit to its CEO during the election was nothing more than a "polite" stopover and that it indicated no special political association between the firm and the president-elect, even though this CEO has a long reputation for being "friendly" to Chen's party.<sup>9</sup>

In addition to interfering with the Taiwanese business people in relation to their participation in Taiwan's own political affairs, the Chinese government also actively regulates the political orientations of these business people in China. For example, Chinese authorities have organized "Anti-Taiwan Independence and Pro-Reunification" rallies which they have required Taiwanese business people to attend and where they have compelled these business people to publicly state their political positions on cross-strait relations. Additionally, more and more Taiwanese firms, particularly the large ones and/or

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<sup>9</sup> *China Times.com*, 4/13/2000. "Changzhong explains to China that it has never supported Taiwanese independence" (in Chinese). At <http://news.chinatimes.com/>

those located close to Beijing, have faced pressure from China to set up internal Chinese Communist Party committees to integrate further Chinese state politics and Taiwanese capital.<sup>10</sup> To “invite” Taiwanese business people to attend either political rallies or communist party activities inside individual firms is, indeed, to create a public environment controlled by the Chinese and directed at the Taiwanese as subtle pressure encouraging them to relinquish their identities as Taiwanese and to embrace Chinese identity. These events become public rituals of deference which the Taiwanese have to perform before Chinese witnesses, many of whom are their employees. On these occasions, Taiwanese owners and managers experience political inferiority and their economic and working authority are undermined.

### **Threatening military actions**

The most menacing and powerful aspect about the discourse faced by Taiwanese business people in China is the possibility of Chinese military action against Taiwan if the smaller state were to declare its autonomy. According to my field research, the question of war and its repercussions is a commonly found conversation subject within Taiwanese business communities in China. Whenever conflicts arise across the Strait, Taiwanese business people constitute the Taiwanese frontline that directly and immediately experiences Chinese political harassment and threat. According to a newspaper report<sup>11</sup>, the president of Acer Computer, Wang Cheng-Tang, during a newspaper interview in 2000, articulated this specific position:

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<sup>10</sup> *Economics Daily News*, 6/28/2001, p. 10. Chinese authorities employ both hard and soft means to demand Communist Party Committee to be established inside Taiwanese firms (in Chinese).

<sup>11</sup> *Commercial Times*, 3/20/2000. “Don’t let Taiwanese business people in China become orphans” (in Chinese). At <http://news.chinatimes.com/>

Every time tension across the Taiwan Strait occurs, Chinese mass media and authorities will work side by side to criticize Taiwan. Taiwanese business people in China are the Taiwanese people who first experience this kind of tension and hostility. We feel that we are living with one billion people who view us harshly.

On July 9, 1999, then president of Taiwan, Lee Teng-hui, in an interview with the Deutsche Welle Radio, stated that since 1991 when the Republic of China (R.O.C.) Constitution was amended, “cross-strait relations were defined as ‘state-to-state’ or at least ‘a special state-to-state relationship.’ Cross-strait relations were not to be an internal relationship of ‘one China,’ in which it is a legal government vs. a rebel regime, or a central government vs. a local one.”<sup>12</sup> China was very unhappy with Lee’s “two state argument” and arranged military exercises along its coastal areas close to Taiwan. When I visited China from August to October 1999, there were still a number of hostile discussions and criticisms concerning this statement in Chinese newspapers and on television news programs, and rumors about possible Chinese military actions against Taiwan were widespread throughout the region.

Several interviewees experienced personal encounters with local Chinese regarding the threat of war. Tu, an investor in Suzhou, told me that, one night in 1999, he had been walking home from a grocery store and had run into a local Party official who was very drunk. The first words that this Chinese official uttered to him were that “Taiwan and China are going to have a war, do you know that?” Tu considered these words to be clearly intended to intimidate him but he remained silent to handle the situation. In another instance, Zhang, in her middle thirties, came to Shanghai because of her husband’s job. At the time of my first visit with her in early September 1999, she had two sons, aged eight

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<sup>12</sup> Quoted from Mainland Affairs Council website.

and ten respectively, who were enrolled in a local Chinese school. One hot sunny afternoon two days after I arrived, Zhang took her sons to swim. Some of the children at the pool, who knew that she and her children were Taiwanese, told her two sons that “there is going to be a war” and asked, “What are you going to do?” Her younger son, she told me with evident pride, settled the matter diplomatically, replying “whichever side wins, I will be with that side.” Nevertheless, because school was due to begin in a matter of days and her sons would confront such situations again, she acknowledged that she would have to teach her kids to “know how to handle these types of situations.” Clearly, Zhang was contented with her sons’ *appropriate* responses when confronted by the Chinese, her older son’s silence and her younger son’s skillful reaction. What she wanted to teach her sons was to ensure that they knew what could be and could not be said and done in the *presence* of the Chinese. Hence, it is not only adult Taiwanese business people and their spouses like Zhang who understand their vulnerable political position in China; it is also their children.

### **Creating a discursive reality**

Foucault (1979, 194) maintains that “power produces; it produces reality.” Da, a manager in Dongguan, stated, “Taiwanese don’t own a national entitlement here. We cannot be protected by our government. It is like a person who is not entitled to human rights.” Strong feelings of political insecurity, anxiety, fear and inferiority created and circulated by the Chinese have become the reality that Taiwanese business communities experience and perceive in China. Furthermore, this new reality reinforces the disciplinary power, keeping disciplined subjects at the level of on-going public subjugation. Examples,



like anxieties expressed from Taiwanese business communities about constant surveillance by the Chinese, demonstrate that they believe that the Chinese are powerful and capable of penetrating and policing every aspect of their lives. These anxieties and concerns eventually reinforce Taiwanese business communities' public tendency to make submissive responses to the "One China" discourse.

For instance, Peng, a manager in a home electrical product firm in Xiamen, believed that every department in his firm was infiltrated by Chinese moles and that all of their "international phone calls and emails are monitored and under surveillance." He thought that, due to the poverty in China, "there will be plenty of people who are willing to spy on our [Taiwanese business peoples'] lives for the government" as long as central authorities continued to reward informants financially. In another instance, Pu, a vice president of an electronics firm in Shanghai, told me that an internal business matter known only to himself and another Taiwanese manager in the firm was later found to be known to the Chinese authorities. After that event, he explained, he became very cautious and told his Taiwanese colleagues to be careful and "not to talk about any cross-strait politics with any Chinese employees." Pu confessed that, "we really don't know who are spying on us." Heng, a manager for a computer related product firm in Dongguan, has worked in China as an expatriate manager since 1990. He said:

As long as I am in China, I wouldn't want to talk about or have anything to do with politics. Mainlanders are very stubborn. They believe that Taiwan belongs to China. Particularly, Mainlanders frequently threaten to take military action toward Taiwan if Taiwan declares its independence to international society. We are living under their roof. We have no choice but to hold our breath and swallow our voice.

Wang, a financial reporter for a Taiwanese journal in Shanghai, told me that, in the past, he “wasn’t sensitive about politics at all.” However, after he came to China, “I now see politics everywhere and have become much more sensitive about politics.” Taiwanese business communities in China, both at individual and institutional levels, adopt an apolitical stance to disengage themselves from anything having overtly political significance for the Chinese in order to secure their personal and business security. Indeed, it is because Taiwanese business people are highly aware of politics that they adopt an apparently apolitical stance in order to *de-politicize* themselves and to bleach their political spectrum from Chinese inspection and regulations. In particular, some Taiwanese business people have already been sentenced or charged by the Chinese authorities for acting as spies for Taiwan. Thus, Taiwanese business people and their families avoid not only discussing politics with the Chinese but also exchanging political opinions through telephone conversations and electronic messages. Even in the absence of the Chinese, unless they feel very secure about where they are and whom they are with, they would not talk about politics.

For example, engaging political issues with my research subjects was frequently a difficult task during my field research in China. To “not discuss or be involved in politics” is an apolitical strategy that was often explained to me in a straightforward manner in my discussions in these Taiwanese business communities. Taiwanese interviewees usually did not allow me to tape-record our conversations, particularly when the interviews took place in China. They understood that parts of our talks would be related to cross-strait politics and did not like the idea that what they said would be recorded and would have the potential to be used as evidence against them. They sometimes even joked about it, saying,

“Who knows, *you* may spy for the Taiwanese or Chinese governments.” I was not able to get Taiwanese investors or managers to talk to me unless I was introduced by other Taiwanese that they knew personally, although, after any initial awkwardness, most of them did welcome me warmly.

During my field research, some of my interviewees specifically requested that I not ask them about cross-strait politics. At other times, when our conversation engaged these issues, subjects would lower their voices and look around to ensure that potential Chinese informants were not in the vicinity. I was advised by my interviewees to be cautious about what I did and said freely on these subjects in China. My May 1999 meeting with Ku, a manager in a firm in Dongguan, provides a good example to demonstrate the sensitivity of discussing politics with Taiwanese business people in China. I was introduced to him by one of his Taiwanese colleagues. When I made an appointment to speak with him, I sensed that he dreaded our meeting and that he had agreed to talk only out of respect to his colleague. Indeed, his first words to me were that he “didn’t like to discuss politics” in his office building. He explained that his Chinese colleagues often chatted about political affairs but that he “never wanted to talk to them about that.” He added that, just days before, his Chinese colleagues had asked him his views on the recent American bombing of the Chinese embassy in Bosnia. He simply pled ignorance. “I am definitely not going to talk about politics here,” he affirmed and “I also advise you not to talk about it.”

This tendency for individual Taiwanese business people at all levels to disengage as much as possible from larger political tensions also finds its institutional counterpart in the conduct of large Taiwanese firms and business organizations themselves. For instance, according to a high-ranking manager of a large Taiwan computer firm in China with

whom I spoke, the president of this firm “doesn’t want to have anything to do with politics.” This firm, he emphasized, has sought to “keep a distance in order to gain security.” In short, this manager concluded, his firm faced a quagmire where, “if we have close connections with politicians [in China], it will make it difficult to face the Taiwanese government,” yet, “if we associate closely with the Taiwanese government, Chinese authorities and society will give us difficulties.” Thus, in this firm, there was a specific Taiwanese manager whose responsibility it was to negotiate with Chinese officials for the sake of their business development in China. The president and the other managers of these firms rarely associated with government officials from either side.

Another example of institutionalizing an apolitical stance among Taiwanese firms and business organizations is found in the Taiwanese Enterprises Associations (TEAs) in China. After encountering a great deal of difficulty from Chinese officials, Taiwanese business people established the first TEA in Beijing on March 24, 1990, under strict state supervision. Chinese Party and governmental officials, for example, expected and usually were invited to be board members of these organizations in order to oversee their activities. While China views the existence and activities of TEAs through a very political lens, these associations try hard to de-politicize themselves. Ku, a former important official of one of the largest TEAs in China, told me that members avoided discussing Taiwanese or Chinese politics in their association’s offices or meetings. If they talked about cross-strait politics publicly in the association, Chinese authorities will view their association “as a political organization” and the association would not be able to continue to exist, according to Ku. Thus, during his years of leading the association, he suggested that Taiwanese board members not participate in any important cross-strait affairs. He also

did not accept donations from the Taiwanese government because “I did not want to give the Chinese government an excuse to repress our existence.”

Several of my research subjects indicated that, if they and their firms were to run into any troubles in China, they first would try to resolve them through local networking channels among both Taiwanese and Chinese. They would, they emphasized, avoid contacting any Taiwanese officials, unless the issues were too immense to conceal, for fear that the Chinese authorities might interpret these contacts as intentional attempts to embarrass the state. Strong ties to the Taiwanese government can put them in jeopardy of being accused of political subversion against China and imperil further capital accumulation there.

The reason that the discourse mandating Chinese identity is powerful lies in its capability to produce an intimidating and repressive environment and reality that Taiwanese business communities believe that their lives are transparently visible to the Chinese and are in danger if they and Taiwan do not accept the “One China” Principle. People within Taiwanese business communities tend to agree that, if China were to attack Taiwan, their lives and their investments in China would be in immediate peril. Tso theorized that the Taiwanese living on the “mainland will be captured and placed into concentration camps” if a war between Taiwan and China were to erupt. Another, Pu in Shanghai, expressed no doubt that, under these circumstances, “the Chinese will take over Taiwanese people’s investments.” Du put it succinctly when he worried that, “more than fifty years ago, Chinese mainlanders retreated from China [with the Chinese Nationalist Party] to Taiwan and couldn’t come back to China until 1987.” “Now,” he concluded, “it

is very likely that the Taiwanese will be forced to stay here” if any military conflict occurs across the Strait.

These stories show the domination of the “One China” discourse in the current cross-strait political economy. It is important, however, to keep in mind that the public transcript of domination is not always uncontested. First, by taking advantage of their economic power, Taiwanese business people sometimes attempt to publicly renegotiate their political situation with the Chinese. For example, Sang, a firm director and board member of a TEA in greater Shanghai area, told me that once his TEA offered to sponsor local social and charity events in support of flood relief while encouraging local officials not “to always tell us that your government is going to attack Taiwan if Taiwan does something wrong.”

Second, the boundary between the public and the hidden transcripts is “a zone of constant struggle” between the dominant and the subordinate (Scott 1990, 14). Thus, when Taiwanese business people unintentionally or intentionally transgress what the Chinese expect of them, the tensions and punishment immediately appear on the stage. For instance, in May 2001, a Taiwanese real estate company in Shanghai issued controversial flyers advertising a newly constructed apartment complex located within the former French colonial district in Shanghai. The flyers emphasized that this apartment complex was “to be located within the downtown Shanghai [former] French colonial district” and that it retained “the traditional romantic French atmosphere.” This advertisement brought forth voluminous anger from local residents. An elderly Shanghai resident, born and raised in the city, epitomized local sentiment as he bitterly recollected this colonial era when foreigners had erected metal fences and guns throughout the colonial districts and when the Chinese themselves were forbidden entry to those areas. “Every time I look back at

this part of history, I feel sad,” he said resentfully. Now, however, “this real estate company even commercializes these districts to make business,” treating “history as a joke.”<sup>13</sup> Facing local anger, this Taiwanese firm quickly defended its use of the description “French Colonial District,” explaining that it derived from conventional “commercial fashion” rather than from political implication. However, an official investigation by local officials into the advertising campaign was undertaken.

This case shows that, for Taiwanese business people who do not share the same historical experiences and “national pride” as the Chinese, Chinese former colonial districts represent little more than symbols of Western superiority that are marketable and must be packaged for consumption in the world market. Yet, for many Chinese, particularly those who have endured Western colonial occupation, the shame and pain associated with these eras are not easily forgotten. The discrepancy between Chinese expectation of Chinese nationalist sentiment from Taiwanese business people and those actually reflected in the ideology and behavior of Taiwanese subjects, as shown in this and other similar cases throughout this paper, demonstrates that the hegemonic discourse of “One China” is never completed.

### **The Hidden Transcript—Infrapolitics of Taiwanese Business Communities**

Analysis based exclusively on the official story of “One China” discourse is more likely to conclude that Taiwanese business people generally endorse the Chinese nationalistic domination and that “the Greater Economic China” is also simultaneously forming “a cultural and political Greater China” between Taiwan and China. However, the

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<sup>13</sup> *China Times*, 5/29/2001. “For using the term ‘French Colonial District’ in real estate commercial flyers, Taiwanese business people are attacked” (in Chinese). At <http://news.chinatimes.com/>

public gestures of submission by Taiwanese business people in China should not be interpreted as acceptance of the legitimacy of the “One China” Principle. As Scott (1990, 193) maintains, most subordinates “conform and obey not because they have internalized the norms of the dominant, but because a structure of surveillance, reward, and punishment makes it prudent for them to comply.” Low-profile forms of practical resistance, such as languages of resentment and difference and special arrangements made possible by taking advantage of their transnational economic status and capital to reserve safe space without gazes from the Chinese and to protect their investments and lives, according to my observations, are infrapolitics of Taiwanese business communities in confronting Chinese nationalistic regulations in China. The offstage actions and language of the Taiwanese business people reveal tensions and contradictions existing right under the surface of Taiwanese business communities’ public deference. Compared to subordinates in Scott’s (1990) study who are slaves, serfs, the colonized and subjugated races, Taiwanese business people in China are a transnational capitalist class who hold economic and social power and mobility. Relatively they have more resources to negotiate their subordinated political situation with the Chinese. In this section, I explore the infrapolitics of Taiwanese business communities regarding their offstage responses to the “One China” discourse. I first investigate how Taiwanese business people privately use their transnational capital and status to make special arrangements for their lives and investments in China in order to minimize their political risks there. Second, I analyze Taiwanese business people’s offstage talk to reveal their resentment toward and articulation of difference in respect of Chinese domination. Finally, by examining their



offstage talk, I explore how the shifting discourses of public and hidden transcripts produce fluid subjectivities for Taiwanese business people.

### **Space and investment arrangements**

In visiting Taiwanese factories, it is obvious that Taiwanese business people consistently live and work in a space apart from the Chinese, a privilege cultivated and enjoyed as a result of their greater affluence and a necessity resulting, I argue, from their own sense of political insecurity and vulnerability. Some Taiwanese wives of Taiwanese businessmen complained to me that they did not like the fact that some Chinese wives of other Taiwanese businessmen lived with them in the same dormitories. A major reason for that was because they were unable to discuss politics “without feeling insecure” when these Chinese wives were in the same living space as they were. In confronting opposition against segregated social space from their Chinese employees, Taiwanese business people usually justify the necessity of such arrangements on the basis of economic and cultural differences between them and their Chinese workers. What they do not express in public is their political concern in making such arrangements.

Many Taiwanese investors and managers also screen the political backgrounds of their Chinese employees to ensure that they do not hire spies working for the Chinese state into their firms. Pin, a manager in Shanghai, told me that every time his firm hired mainlanders, he and his colleagues always checked out these peoples’ backgrounds very carefully. “We examine their files thoroughly to ensure that we don’t hire any communists,” according to Pin. Creating and defending social and economic space for themselves is a necessary step for Taiwanese business communities in order to have a

space free from Chinese gazes. Thus, physical and social boundaries and segregation are intentionally and carefully maintained between themselves and the Chinese.

The reason Taiwanese business people go to China is to make profit. However, conducting business in a country where they face great political risks requires that Taiwanese business people make special arrangements to protect their capital investment and their firm generally. By using their transnational connections and resources, Taiwanese business people adopt two major tactics to reduce their business risk in China: registering their firms under other national banners and keeping as little capital as possible in China at all times.

Da in Dongguan indicated that his firm in China was registered as a Singaporean company rather than as a Taiwanese one. One of its board members was Singaporean, he told me, and the board decided to list him as the president of the firm prior to investing in China. “If there is any tension across the Strait, we will have more protection as a non-Taiwanese foreign firm,” Da explained to me. Similarly, although Hsin was the largest investor for the knitting firm she managed in Suzhou, she registered her firm under another co-investor’s name because he is Taiwanese-American. By using a variety of personal and business connections, many Taiwanese firms register their investments as American, Canadian, Singaporean, or Caribbean firms in China to gain access to crucial diplomatic protection, particularly during times of cross-strait crisis.

Du told me that his firm in Dongguan did not intend to develop any domestic market in China. His firm was a manufacturing company and all of its products were exported to America and to other countries so that it could handle its revenue directly outside of China. According to Du, the reason that his firm conducted operations in this manner was

because “cross-strait politics are uncertain and to leave money here is too much of a risk.” Other Taiwanese firms that have developed the Chinese domestic market also have the option of using informal and underground channels to keep their capital out of China.<sup>14</sup> According to my interviewees, a whole network of people and resources has been established to legally or illegally conduct this type of business for Taiwanese business people in China. Gang was an investor in Dongguan whose family owns a hardware store in America and a manufacturing firm in Taiwan. He believed that, if any crisis happened across the Strait, Chinese authorities would closely supervise his firm and make it impossible for him to withdraw his investment. Thus, his firm in China was registered as an American firm, since he holds a United States Green Card, and he told me that he had tried his best to keep his money “in America and Taiwan and not China.” In order to do so, he arranged to give orders from America to his firm in Taiwan and from Taiwan to give orders to China.

In addition, the majority of Taiwanese managers in China have their salaries deposited directly into accounts in Taiwan and receive only a few thousand RMB monthly for basic living expenses. In this way, firms keep less cash and reduce their risk in China, and expatriate Taiwanese managers minimize their tax payments in China and avoid exposing their actual salaries to the Chinese, whose paychecks are, on average, much less

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<sup>14</sup> Indeed, in order to not to keep capital in China and due to the Chinese government’s strict regulations on foreign exchange, a black market for money exchange and transfer between Taiwanese dollars and Chinese yuan is very prevalent. It has been a crucial avenue for many Taiwanese firms in remitting their profits out of China.

than their own. Consequently, Taiwanese managers preserve their privilege and prevent resentment from the Chinese. Moreover, some Taiwanese investors and managers whom I interviewed were hesitant to make any personal real estate investment in China due to the risk.

Finally, Taiwanese business communities attempt to diminish their risk in China, both at individual and institutional levels, by taking extra precautions to assure their safety in times of cross-strait crises. Kung, for example, was the general manager for a large electronic products firm in Dongguan. In 1996, when the Chinese carried out missile tests in the Taiwan Strait in response to the first democratic presidential election in Taiwan, Kung's company amassed a huge amount of cash and kept it at the firm. "We were preparing for the need to flee if there were a war. Our firm wanted to send our Taiwanese managers back to Taiwan since our families are there." Some Taiwanese managers told me that company plans for protecting their lives in case of a political emergency were one of the major factors influencing their decisions to accept these jobs in China. Some of my interviewees hold or plan to apply for American Green Cards or to obtain other countries' residency with the hope that they will be able to leave China safely if a war erupts across the Strait. These people also tend to send their children to American or international schools to ensure that their children learn English.

### **Languages of resentment and difference**

Although public expressions from Taiwanese business communities tend to 'speak the lines and make the gestures' that they know are expected of them, what they say offstage about the "One China" discourse, in fact, is full of resentment and articulation of difference toward the Chinese. Taiwanese business communities resent the fact that the

Chinese think and act like they are politically superior to the Taiwanese. Shih, an assistant general manager in Kunshan, felt that the Chinese despised the Taiwanese and that they thought that the latter “only have money, but are actually politically inferior to them.” Chang, a manager in Xiamen, told me that the Chinese are quite polite when they interact with Taiwanese directly. Yet, because “Taiwan is so small,” it “is insignificant to them” and “privately they look down on the Taiwanese and call us monkeys.”

The tensions between the obligation to act as Chinese politically and the discrimination of being seen as inferior politically have made Taiwanese business people and their families feel they are like “second-class citizens” in China, in the words of a Taiwanese manager in Xiamen. Similarly, Chou, a manager in Dongguan, complained that Chinese mainlanders “think that the Taiwanese should be Chinese, yet they treat us as second-class Chinese.” Chou teasingly stated that if Taiwanese were considered as Chinese, they should enjoy “the same business, property, and tax opportunities that Chinese citizens have.” Thus, although Taiwanese business people in China are compelled to identify themselves as Chinese, they simultaneously experience political discrimination from the Chinese, “that, indeed, reinforces their Taiwanese identity,” according to Ren, an investor in Shanghai.

After directly experiencing the power of Chinese nationalism, the majority of Taiwanese entrepreneurs are not optimistic about the possibility that Taiwan will be able to declare its independence without military attack from China. However, only one out of all my Taiwanese interviewees was agreeable to the notion of immediate reunification with China. The rest expressed the desire to maintain the current situation between the two states. Wen, an investor in Shanghai, explained that “I cannot accept the social and

political systems here [in China] and won't support Taiwanese reunification with China. Yet, it is impossible to be independent from China under China's military threat. The best way is to maintain the current situation." Indeed, the majority of my research subjects indicate that, as soon as China no longer threatens to take violent action against Taiwan, they would support Taiwanese independence. Mang, a second generation descendant of a Chinese mainlander and a marketing director in an electronic products company in Dongguan, stated:

When we are with Chinese, we may act as if we are Chinese. However, I personally know that many Taiwanese business people feel great internal conflict here. We are here and have opportunities to actually get to know about this society's legal and political systems. The more we have knowledge of this society, the more we don't want Taiwan to be integrated into it. Personally, I hope that Taiwan will eventually and gradually integrate with China, but disagree to reunite with China now. However, in the future, if Taiwan can be peacefully independent from China, I won't oppose such a situation either.

It seems that, formally, the discursive practices of mandating Chinese identity have effectively compelled Taiwanese business people and their families in China to perform and act as Chinese politically. However, ironically, these discursive practices have indeed created tensions and contradictions that eventually lead to further articulations of differences by Taiwanese business communities toward China and the Chinese. By exploring the hidden transcript of Taiwanese business communities in confronting Chinese nationalism in China, we find that suspicion, hostility, deceit, resentment and insecurity dominate the nature of the relationships between Taiwanese business communities and their Chinese hosts. Boundaries and differences are constructed, reiterated and elaborated between them as cross-strait economic exchange is continually shaped by both Chinese and Taiwanese nationalist politics.

**Fluid Subjectivities**

In order to accumulate optimal profits across the globe and escape regimes of regulation imposed by nation-states and family, scholars have found that overseas Chinese have strategically adopted flexible attitudes toward subjectivities and citizenship (Kong 1999; Nonini 1997; Ong 1999; Tseng 2002). Identities themselves become instruments and strategies of negotiating relations of power and achieving one's interests. As Ong and Nonini (1997, 327) argue, the identities of overseas Chinese are formed out of "the strategies for the accumulation of economic, social, cultural and educational capital as diasporic Chinese travel, settle down, invest in local spaces, and evade state disciplining" in multiple sites throughout the Asia Pacific. Stuck in between nationalistic discipline and capitalistic profit-making, Taiwanese business people have developed strategies and practices to handle the tensions which result, shifting nimbly between public and hidden transcripts, and developing situational identities and fluid subjectivities.

For example, when I asked Du how he thought about the identity issue for Taiwanese business people in China, he responded that "we call ourselves Chinese here but become Taiwanese when we go back to Taiwan. We are like that weed growing in the wind on the top of a wall, swinging without a supporting structure." Mien frequently referred to China as "our motherland" in front of his Chinese guests. Once, after all of the Chinese guests had left his house, his wife irritatingly questioned him, "why do you have to use 'our motherland' so much?" Mien, echoing Du, replied:

We are in China. Our feet step on other people's land and our heads are under other people's sky. Thus, when we see human beings, we should speak to them in human language and, when we see ghosts, we should speak ghost language. We are like the weed on the top of a wall and we swing in the wind.

Both Mien and Du used metaphors to describe their situational performance and subjectivities traveling between Taiwan and China and between the discourses of Taiwanese and Chinese nationalism. When they are in the immediate gazes of the Chinese, they talk and act as Chinese politically. However, when they are in the absence of the Chinese either in China or in Taiwan, they are Taiwanese. In fact, the pressure of being seen as possible traitors to Taiwanese nationalism frequently compels Taiwanese business people to specifically emphasize their sentiment and loyalty toward Taiwan.

Clearly, in order to flexibly accumulate profits across the Strait and to escape both Taiwanese and Chinese nationalistic disciplining, Taiwanese business people have developed strategic and situational identities across the Strait. James Clifford (1992, 116) argues that identity is politics rather than inheritance and there is no identity constructed without a sequence of power objectives and implications. As Shen, a male manager in a ceramic manufacturing firm in greater Shanghai area, stated, “the identity of modern people is very diverse. Thus, it is much easier to survive if we identify ourselves ambiguously.” Taiwanese business people consciously know what the meanings of identity formation can do for them and somewhat actively direct how their subjectivities are formed.

While the subjectivities of Taiwanese business people are fluid and flexible, however, they are also, in a sense, “*stuck in between.*” Indeed, their subjectivities and agency are greatly confined within the larger social circumstances in which they live and in the histories which they confront. Hou, for example, was invited by the Chinese authorities to attend a National Day Celebration ceremony on October 1, 1999, a week or so after a devastating earthquake that killed more than 200 people in Taiwan. He felt “very



awkward and embarrassed” to be at this Chinese celebration while Taiwan was reeling from this traumatic event and was suffering greatly. “When I was there,” he explained, “I intentionally wore a hat to cover my head and took a book to hide my face. I had no choice but to go.” Indeed, one of the costs and consequences of these fluid subjectivities is the ‘human toll’ created by the internal tension generated when obligated or forced to act Chinese when wanting to act Taiwanese.

In this unique situation, ethnic subjectivities also become malleable, as evidenced in the following examples. Hong, a Taiwanese engineer in Dongguan, was a second-generation Chinese mainlander whose parents came to Taiwan with the KMT in 1949. While working in China, he occasionally attempted to use his parents’ Chinese background to endear himself to his Chinese hosts. However, even though they acknowledged his recent Chinese origins, they still perceived of him as “a Taiwanese,” because he was “from Taiwan and the firm I work for is Taiwanese. Thus, I am a Taiwanese and I am an outsider on the mainland.” Yet, when he is in Taiwan, he is more likely to be considered as Chinese.

Because they are viewed uniformly as “Taiwanese” by Chinese society, internal ethnic differences that would be significant at home lose their meaning on the mainland; furthermore, because Taiwanese from across ethnic backgrounds work and live closely in China, they feel, in the words of Mang, “close to each other.” Like many second-generation Chinese descendants working in China, Mang told me that they spoke more Hoklo Taiwanese in China than when they were in Taiwan. To speak Hoklo Taiwanese was “our way of showing that we identify with Taiwan when we are in China,” according to Mao in Shenzhen, or was a way of expressing “the intimacy that we are all from Taiwan

and to exclude Chinese,” according to Hsiao, also a second-generation mainlander descendant in Dongguan. To be externally treated as Taiwanese and internally to share common experiences from Taiwan, Taiwanese business people have transcended the divisions of Taiwanese ethnic politics and fostered a sense of community among themselves in China. However, the feeling of closeness among Taiwanese business people across ethnic boundaries in China is not automatically transferable back to Taiwan. As Mao pointed out, “once we are back in Taiwan, we are [again] divided by ethnic divisions.”

### **Discussions and Conclusions**

This study begins from how China has strategically incorporated cross-strait economic relations to impose its nationalist agenda upon Taiwan and its business people in China. The Chinese consciously, as a matter of policy, attempt to erase Taiwanese sovereignty and mandate Chinese identity for the Taiwanese business people in China, discourage their political participation at home, harass them with threats of military actions and create a discursive reality centered upon a “One China Policy.” The Chinese utilize a host of measures against Taiwanese business people to support these attempts, including regulatory harassment of their firms, withholdings of necessary approvals, invitations to blatantly political functions by the CCP and censorship of textbooks utilized by Taiwanese school children. The Taiwanese respond informally by “doing Chineseness” or by assuming an apolitical stance, utilizing such tactics as the use of politically acceptable language, the creation of separate spatial arrangements, and formally by using their economic power to negotiate better arrangements, carefully

screening potential employees for communist partisanship and making special arrangements to minimize their financial and diplomatic exposure in China.

I find that such intimidation and harassment by the Chinese breed resentment among the Taiwanese and creates differences and maintains boundaries between the politically superior hosts and their politically inferior guests. I also find that such hostile actions result in the formation of very fluid subjectivities among the Taiwanese businessmen living and working in China and, indeed, these situational subjectivities create emotional anxieties for these Taiwanese. While there is a tendency in scholarly works to applaud how transnational mobility creates flexibility and hybridity regarding the issues of subjectivity, this study points out that flexible subjectivities can result in emotional consequences for transnational flows of people.

The question now returns to that of whether economic globalization has replaced or eroded nationalism and the nation-state system? Wang's (2000, 103-105) study on the relationships between Taiwanese nationalism and globalization argues that Taiwan as a successful Newly Industrialized Country in the world economy has gained an international visibility that in turn has generated a favorable opportunity for Taiwan to build a nation in the international society. Nevertheless, according to this study, it seems, on the one hand, that Taiwan has lost its ability to slow down its business people taking capital and human resource to a China that hopes to politically seduce Taiwan through economic integration. Taiwan's close economic relationship has thus weakened its capability to separate itself politically from China. On the other hand, the Chinese nation-state and nationalism seem to gain power by taking advantage of its military power and Taiwan's increasing economic dependency on it. Certainly, the patterns of cross-strait state and nationalist power are

being reconfigured and reconstructed within the economic exchanges between Taiwan and China. The relationships between nationalism and economic globalization are multiple in directions and should be examined within specific social and historical contexts. As demonstrated in this study, economic globalization can simultaneously create positive and negative opportunities for nationalism within a given social circumstance and the issues of nationalism and national identity, indeed, still occupy the very center of debates and controversy in the process of economic globalization.

We can then think of the global economic processes as one of the key sites for nationalist contest, dispute, and disciplining. This study shows that cross-strait economic activities and relations have become sites of political competition, regulation and reconfiguration between Taiwanese and Chinese nationalisms. Taiwanese business people and their family members, who travel and reside both in Taiwan and China, encounter these larger political power reconfigurations across the Taiwan Strait in peculiar ways. The disparity and tension revealed by what Taiwanese business communities have said and done regarding cross-strait politics between the presence and the absence of the Chinese, indicates that the increasing cross-strait economic integration, ironically, has become the site producing political and social tensions and boundaries between the Taiwanese business communities and the Chinese. The reconfigurations of cross-strait politics within the current flows of capital and people between Taiwan and China have complicated social relations between Taiwanese business communities and the Chinese and between the two societies.

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