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Françoise Mengin, *Fragments d'une guerre inachevée. Les entrepreneurs taiwanais et la partition de la Chine*  
(Fragments of an unfinished war: Taiwanese entrepreneurs and China's partition)

Paris, Karthala, 2013, 519 pp.

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- 1 Based on a highly detailed study of Taiwanese entrepreneurship from its origins to the present, this book seeks to examine Sino-Taiwanese discord, taking a political economy approach. In her introduction, Françoise Mengin rightly stresses that this dispute cannot be understood without “combining social logics with that of conflict of sovereignty,” (p. 20) and without situating the inner workings of the movement in their historicity. One of the strength of this book is to have succeeded in this task with the help of an impressive bibliography and a large number of interviews spread over 15 years that reveal the logic and dynamics structuring and orienting the evolution of Taiwan-China relations since World War II. At the same time, the study of Taiwan’s case, of its entrepreneurs, and of cross-strait relations gives Mengin the opportunity to reflect on more general academic discussions: the relevance of the developmental state concept forged in the 1980s, the relations between transnational actors and the nation state, the notion of border, the supposed existence of a Chinese capitalist spirit, or even the issue of China’s democratisation.
- 2 The first of the four chapters is devoted to the genesis of Taiwanese entrepreneurship. It shows that considerations of an exclusively political nature lay behind the Kuomintang (KMT) government’s economic choices: the colonial regime clinging to power and a war economy both meant to serve the project of recapturing the mainland and completing the nationalist revolution lead by the KMT, which retreated to the island in 1949. Thus, while the measures adopted might have emanated from a clearly anti-capitalist ideology or contributed ultimately to the rise of the private sector and market economy, they did not seek so much to optimise conditions for Taiwan’s economic development as to ensure the party-state’s cornering of a maximum of resources and to prevent the birth of any interest group capable of rising against it. Such monopoly over all key economic sectors helped control major private enterprises in which the state was both the main supplier and the client. Major enterprises thus remained protected and imprisoned in a rentier economic sphere whose logic was clearly not “developmental”: the state did not hesitate to imperil the rise of some sectors in order to preserve its interests, as was the case with the automobile industry. Similarly, the stranglehold over the banking sector applied breaks to the growth of a private sector free of the KMT state’s control and blocked the formation of any group of major financiers who could have constituted a counter-power. As for measures that ushered in Taiwan’s prosperity such as the 19-Point Reform of 1960 and export promotion, Mengin notes that they complied with military imperatives – to continue financing the armed forces’ colossal budget as well as to be free of US aid and the

Françoise Mengin

## Fragments d'une guerre inachevée

Les entrepreneurs taiwanais  
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pressures it entailed. However, small and medium enterprises (SMEs), which managed to benefit from this opportunity to emerge as the motor of Taiwan's economy, did not get direct state support. Rather, they grew on the strength of everything they were excluded from. In line with recent studies, this chapter seeks to debunk the idea – ever present in the discourse of the Kuomintang and its supporters – that Taiwan's "economic miracle" resulted from judicious choices made by the government throughout the dictatorship era.

- 3 The next chapter reinforces the point. Faced with the diplomatic crisis of the 1970s, the Kuomintang sought to benefit from the strong economic growth that was underway by boosting its bruised legitimacy. Drawing inspiration from Michel Foucault and Jean-François Bayart, the author sets out the characteristics of this process. She shows first of all that while economic success certainly boosted the KMT state's legitimacy, it was only complementary legitimacy, whose "core" remained the Greater China ideology coupled with the achievement of nationalist revolution. A few years ahead of Deng Xiaoping's China, Chiang Ching-kuo's Republic of China entered a "Thermidorian situation," which Bayart defines as the passage "from one of Utopian mobilisation to that of management reasoning," the professionalisation of the ruling class meanwhile happening alongside "the perpetuation of the ideology, vocabulary, and revolutionary imagination" (p. 121). This professionalisation and the launch of the semi-conductor industry at the same time are often considered solid proofs of the existence of a developmental state in Taiwan. However Mengin refutes this thesis, noting that the industry's success relied mainly on a handful of men (including the ministers of economic affairs and of finance) assisted by some foreign advisers who often had to fight against the state machinery's reluctance, and that on the other hand, despite its partial technocratisation, the state was far from being a homogenous team producing a perfectly integrated and coherent economic policy. On the contrary, its different local administrations and ramifications represented many bastions, fiefs, and challenges for a ruling class closely linked to local factions and economic powers. This problem only grew with the regime's democratisation under president Lee Teng-hui. As for the rapid growth of SMEs in the 1970s-1980s, it mainly occurred outside of the state regulation framework and even transgressed it. Unable to benefit from protection or financial support that the state channelled to some major groups, to which it also opened up access to the internal market mostly under its control, the SMEs grew mainly with family backing and by turning to multinationals' sub-contracts.
- 4 The third chapter focuses on the *taishang* – Taiwanese entrepreneurs doing business in China. It relies notably on numerous interviews conducted on both sides of the Taiwan Strait – with Taiwanese entrepreneurs and with officials of various administrations concerned with the relocation of production units to China. The extent of relocation is presented as a consequence of the political and economic configurations analysed in the first two chapters. First of all, the fact that the Sino-Taiwanese border remained closed until 2008 – direct legacy of the "unfinished war" – influenced the *taishang*'s investment choices. By compelling people, assets, and capital to transit through a third entity, successive Taiwanese governments actually allowed the *taishang* to be free of any control they could have wielded over the relocations. Similarly, deprived of Taipei's protection, the *taishang* were goaded to bargain directly with China's local bureaucracies and to form autonomous associations in order to defend their interests. The heads of Taiwanese businesses also sought out in China conditions similar to those in Taiwan during the dictatorship era. Referring once again to Bayart's work on

“liminal experience” (p. 281), Mengin shows that the *taishang* set out to profit from their “in-between status – neither fully Chinese nor fully foreigners” in a strategy of resource accumulation (economic, social, and cultural capital) by exploiting the existence of the border and not by pushing for its disappearance. Thus the *taishang*, like many others, are transnational actors who use borders and the differentials they produce, far from helping build a post-national world. The book makes here two important points. First, that the multiplication of transnational actors does not imply an end to borders and territories. Second, the *taishang*’s presence and their investments certainly do not contribute to the development of democracy in China, contrary to what the KMT hopes or wants to believe. Their collusion with Chinese local bureaucracies have boosted rentier monopoly practices and stoked labour exploitation based on a paternalistic and quasi-military organisation of factories, in complete contrast to Taiwan’s nascent democratic values. It has also led to the *taishang* being subject to the one-China principle and thus serving Beijing’s irredentist policy.

- 5 The fourth chapter traces with great precision the stages of gradual opening of the Sino-Taiwanese border in the decade starting in 2000. It shows how the Chen Shui-bian government’s rejection of the one-China principle, the Chinese authorities’ persistent refusal to negotiate with an administration that did not recognise the principle, and the Kuomintang’s move to bypass the Democratic Progressive Party (DPP) led to a “de-governmentalisation” and privatisation of the bilateral talks process. But this configuration and the KMT’s alacrity to reopen dialogue with the CPC in a bid to marginalise the DPP and more broadly the cause of Taiwan independence also opened a breach that the Beijing’s United Front policy stepped into. While the KMT’s return to power led to a “re-governmentalisation” of talks and the signing of 18 agreements between June 2008 and August 2012, the Ma Ying-jeou government has also made possible an unprecedented deployment of the United Front policy, the effects of which threaten the survival of Taiwanese democracy. Cross-strait détente has taken place mainly on Beijing’s conditions and to its benefit: party-to-party discussions determine the rhythm and agenda of negotiations, which are then conducted by para-governmental organs and tend to bypass parliamentary control mechanisms; Taiwan seems increasingly reduced to the status of a mere economy on the international scene; Taipei’s foreign policy shows disquieting signs of alignment with Beijing’s positions; fear of offending Chinese authorities has led to forms of censorship and self-censorship, be it in government practices that routinely hurt Taiwan’s sovereignty and public freedoms or in some key sectors of society such as the media.
- 6 The book ends with a pessimistic conclusion about Taiwan’s political future. Two scenarios are set out. The first sees the dilution of the multi-party system through the DPP’s inability to find a credible alternative to the one China principle and through the continuation in power of the KMT, which would be seen in this context as the only political force capable of negotiating with the Chinese authorities. The second envisages a restructuring of Taiwan’s politics around a debate and political divisions over “politics *in* China” and no longer “*with* China.” Of course, these conclusions underestimate the Taiwanese civil society’s resistance capacity, as well as the eventual effects of a strengthening of identification with a Taiwanese nation state and growing gap between the KMT government’s unificationist orientations and public aspirations. However, the threats facing Taiwanese democracy are real. One can only endorse Mengin’s proposal of a new wave of works inspired by the neo-Gramscian approach of Robert Cox in order to analyse the “development and mobilisation of an interest

coalition” that brings together “dominant politico-economic” forces on both sides of the Taiwan strait “around norms, institutions, and mechanisms.” This coalition consists of CPC and KMT leaders, the island’s business elite, bureaucrats and local lawmakers, academics, etc.

- 7 To sum up, this book achieves its objective – deciphering the Sino-Taiwanese dispute in the light of political economy. For Taiwan specialists, it might appear to have dwelt too long on some known points, especially in the first two chapters, but it also opens up many paths of potentially fertile reflections. Furthermore, the attention to detail that Mengin displays adds to the clarity of the demonstration and makes of the book a mine of information. Perhaps just one drawback is the absence of at least a few pages dedicated to the devastating consequences of the configuration studied on the labour market and on living conditions in Taiwan (pressure on wages, deteriorating working conditions, real-estate speculation, etc.). Resulting social tensions can have a significant impact on Taiwan’s political trajectory.
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## AUTHORS

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