



***ADVICE FOR PRESIDENT LAI CHING-
TE ON ACHIEVING RESILIENCE FOR
TAIWAN***

BY BILL SHARP

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President Tsai Ing-wen was gifted in diplomacy. She had high-ranking dignitaries from all around the globe visiting her on a nearly daily basis. Tsai gained international acclaim for her ability to reach out to diverse representatives from the international community, thereby gaining her favorable comparisons to former German Chancellor Angela Merkel, among other laurels.

However, according to leading Taiwanese economists who wish to keep their identities hidden, her 5+2 Innovative Industrial Development Program (IIDP) was disappointing in terms of economic planning. Gains were limited to creating an Asian Silicon Valley, green economy, and defense industries. Development of new agriculture, intelligent machinery, biomedicine, and a [circular economy](#) or the internet of things did not make much progress

The 5+2 IIDP morphed into the Six Core Strategic Industries (SCSI), which also proved disappointing.

There was a lot of duplication between the 5+2 IIDP and the SCSI, the latter of which emphasized

information and digital technology; cybersecurity; medical technology; green and renewable energy; national defense and strategic industries; and strategic stockpile industries.

The most successful were highly duplicative of the 5+2 IIDP's successes: information and digital technology (the Asia Silicon Valley); green and renewable energy; national defense and strategic industries (a new jet trainer was developed which can also be used as a combat aircraft and naval/coast guard fleets were expanded).

The presidential and local elections are different: a) Presidential elections emphasize cross-strait issues while the b) local elections are focused on domestic matters such as low salaries, unaffordable housing, and few job opportunities, not to mention Taiwan's demographic woes with a declining birthrate and growing elderly dissatisfaction. As a result, the Democratic Progressive Party (DPP) was punished for its lackluster performance in the 2018 local elections. This was also the case in 2022. Both times President Tsai had to step down from the DPP chair position.

In 2022, the DPP only won [five of 22 municipalities](#), the party's worst showing in 36 years, down from six in 2018. The DPP primarily hung onto its traditional base in Chiayi, Tainan Kaohsiung, and Pingtung. The DPP's loss of municipalities was given the most weight by commentators, but in the city and county councilor elections, 367 KMT (Nationalist Party) candidates won office compared to 277 DPP city or county councilor candidates.

Some of the results might be explained by overemphasizing cross-strait relations. On the other hand, the KMT had built solid patronage and local connections since the days of martial law. And the KMT was seen as the political party that had brought the most economic development and opportunity to Taiwan.

Based on his Oct. 10, 2024, National Day Speech, Lai does not wish to jettison either the 5+2 IIP or the SCSI. Indeed, he [vigorously focused](#) attention on the development of Taiwan's Five Trusted Industry Sectors, namely semiconductors, AI, military, security and surveillance, and next-generation communications, and seeks to help them develop international markets. He also wants to promote the transformation and development of medium, small, and micro-enterprises by helping them to enhance international recognition.

To achieve this, he has established [three committees](#) at the Presidential Office: the National Climate Change Committee, the Healthy Taiwan Promotion Committee, and the Whole-of-Society Defense Resilience Committee. These committees are interrelated, and they are closely connected by the theme of national resilience. Lai strives to build up a more resilient Taiwan, proactively deal with challenges, and bring Taiwan into deeper cooperation with the international community.

Complementing President Lai's development course of action is Premier Cho Jung-tai's "[Action 101 Strategy](#)." Included are a drug fund for cancer treatment, combatting fraud, cracking down on cross-border crime, establishment of an economic development committee to emphasize traditional, micro, small and medium-sized enterprises (while promoting the five trusted industry sectors), and typhoon relief.

There are four problems that could impede progress: 1) According to TVBS, [39.7%](#) of those polled do not trust Lai; 2) the legislature is controlled by opposition parties; 3) Lai won the presidency with only [40%](#) of the votes cast; and 4) just like Tsai, Lai appears to spend most of his time on diplomacy.

My advice for President Lai: Use your full range of political experience, gleaned from service in the legislature, as mayor of Tainan, as premier, and as vice-president, plus the above policies to increase people's salaries and reduce the cost of housing.

Otherwise in the 2026 local elections you will experience the same result President Tsai did in 2018 and 2022. Do not rely on [piecemeal policies](#) to satisfy voters. That did not work for President Tsai, resulting in a loss of local influence and the number of national legislative seats.

PacNet commentaries and responses represent the views of the respective authors. Alternative viewpoints are always welcomed and encouraged.