

# **TAIWAN'S DOMESTIC POLITICS 2021/22**

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## Executive Summary

1. In 2021, the Tsai administration in Taiwan successfully consolidated its power by effectively managing the pandemic and winning the referendum in December.
2. The COVID-19 outbreak from May to July was the biggest challenge for the Tsai administration in 2021, leading to plunges in both public approval and stock prices.
3. The rising pandemic made the shortage of vaccines a serious public concern and the China factor complicated Taiwan's procurement of vaccines.
4. With the support of the local private sector, civil society and countries such as the United States, Japan and Lithuania, Taiwan has effectively controlled the pandemic outbreak with steadily rising vaccination rates since late July 2021.
5. Effective management of the pandemic contributed to Taiwan's thriving economy in 2021, registering the highest gross domestic product growth since 2010, the lowest unemployment rate in November 2021 in 21 years for the same month, the highest investment rate in 21 years and export growth for 21 consecutive months.
6. Good pandemic control and strong economy helped the Tsai administration deal with the referendum challenge posed by the Kuomintang (KMT) in December. Unexpectedly, the Democratic Progressive Party (DPP) defeated the KMT on all the four referendum issues.
7. The DPP's strong unity under the leadership of President Tsai Ing-wen and the KMT's internal division without a strong leader were the major factors behind the referendum results. After losing two more votes in January 2022, the KMT's prospect for revival is even less promising.