



**Political Economy**

**Letters**

**Terry Gou's Dilemma and Impact on Taiwan's  
2024 Election: Global Perspective, Business  
Interests, and Shifting Political Landscape**

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## Terry Gou's Dilemma and Impact on Taiwan's 2024 Election: Global Perspective, Business Interests, and Shifting Political Landscape

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- Terry Gou's global perspective is his strength, and voters have concerns about the relationship between his business interests and his political loyalty. The potential impact on the two-party system is the most significant consequence of his involvement in the election.
- Gou's entry into Taiwanese politics has attracted significant attention from influential factions and foreign powers, reflecting the complex relationship between him, the Kuomintang (KMT), and voters' dissatisfaction with the major parties.
- Business interests can have both positive and negative influences on candidates, providing financial support and credibility but also raising concerns about conflicts of interest. Gou's commercial success can enhance his appeal, but it may also lead to questions about his political loyalty and potential compromises.
- The KMT undoubtedly suffered a significant blow due to the unprecedented success of Gou's involvement in Taiwan's political landscape, especially considering his ability to navigate and avoid heavy sanctions imposed by Beijing.

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Terry Gou looms large over Taiwan's 2024 election. His inability to present a final plan, just two months before the election day, suggests deep misgivings. However, Gou has managed to attract significant attention from the influential factions in Taiwanese politics, as well as from the United States and Mainland China. Beijing is even concerned that the Democratic Progressive Party (DPP) could easily win the election under the failure of the integration of the non-green coalition due to Gou's act on emotion. Choosing a sensitive moment before the election, they publicly announced an investigation into his tax affairs on the Mainland. The various ripples caused by Gou in Taiwan's election are primarily rooted in the complex relationship between him and the Kuomintang (KMT), as well as voters' dissatisfaction with the two major parties.

### **Lessons from Donald Trump in the United States**

The social context Mr. Gou faces in Taiwan bears some resemblance to that of the United States, where voters have grown tired of the prolonged actions of the two major political parties. While Trump was successfully elected President of the United States, his administration faced numerous ups and downs. He encountered relentless attacks from both parties throughout, and his governing foundation was notably weak. Consequently, Gou's chances of becoming a leader akin to Trump are slim. However, like Trump, Gou

poses a significant challenge to the political establishment within both parties. In other words, the degree of his intervention in the election will determine the outcome for both parties, not only in the presidential election results but also in the legislative body.

When the US State Department swiftly approved the revocation of Ms. Lai's US citizenship, who is Gou's deputy, the Kuomintang (KMT) grew alarmed. They believed that the US intended to enable Gou's interference in the election to allow for a smooth victory of the Democratic Progressive Party (DPP). Gou possesses the capacity to single-handedly dismantle a century-old party, much like how Trump can disrupt the Republican Party in an instant. Since announcing his candidacy, Trump has been plagued by lawsuits and constant attacks against him. Now Gou is also facing major trouble with a tax investigation from mainland China, and the investigation could even ruin his entire business empire. Successful businessmen often shed light on numerous issues within political campaigns due to their previous business experiences, political values, and other influential factors. While Taiwan and the United States may differ in many aspects, when a force on political spectrum emerges with enough strength to disrupt the balance, its representative will inevitably attract special attention from all sides. Gou's passive involvement in politically sensitive issues concerning his business across the Taiwan Strait would generate substantial uncertainty regarding his future and that of his family.

### **The multiple influences of business interests on candidate during election campaigns**

Business interests exert multiple influences on candidates during the election process. Candidates often rely on support from businesses, such as campaign contributions and endorsements, to fund their campaigns and gain credibility. This financial backing can provide candidates with the resources necessary to run effective campaigns and reach a larger audience. A significant commercial success can quickly enhance Gou's chances of gaining voters' approval of his character and competence. His track record of successfully managing a global behemoth would save him considerable time in persuading voters that he is capable of overseeing a governance team and handling the day-to-day workload. This single factor alone can help Gou defeat many seasoned politicians who have been struggling in the political arena for years.

But here comes the problem. The immense business interests could lead voters to have a negative perception of Gou's political loyalty. The involvement of business interests can raise concerns about potential conflicts of interest and undue influence on candidates. Candidates may face pressure to prioritize the interests of their business supporters over the broader public interest. This dynamic can compromise the integrity of the election process and undermine the representation of diverse voices and perspectives. Terry Gou now faces this conundrum. He comes at a critical time when Mainland China is investigating him for tax and land violations and other legal issues over a long period of time. Earlier, he had been asked by Taiwanese media what he would do if the Chinese government were to touch his vast business interests, and he did not hesitate to say Yes please do it, indicating that he is not at all threatened by such a situation. But once the investigation was officially

announced, he disappeared from public eye. The sudden scrutiny has put him in a dilemma, leaving him with no good options. If he announces his withdrawal from the election at this point, not only will he lose face, but even his business interests would not be preserved. But if he insists on running, the investigation could result in penalties as high as several trillion New Taiwan dollars, which is simply not a consequence he can afford.

His campaign spokesman Mr. Huang Shih-hsiu said in a reply to the media that he had submitted more than one million endorsement signatures, how could he withdraw from the race. It is crucial for Mr. Gou to navigate this dual influence carefully, ensuring transparency and maintaining a commitment to serving the best interests of the electorate rather than being unduly swayed by specific business interests. In a Facebook post on November 8, Mr. Huang strongly criticized the political character of the Kuomintang (KMT) and praised the selfless and pragmatic cooperation between Gou and the Taiwan People's Party (TPP) in response to the KMT's call for Terry Gou to return and join forces for the election. This indicates that the popularity of the KMT is not high, and Gou is not inclined to be a major financial supporter. Given Beijing's prominent clampdown, his intensified discussions with Ko Wen-je of the TPP regarding prospects for cooperation may enable him to break free from the impasse.

In addition to cooperating on the selection of legislators, Mr. Gou has the unique ability to nominate Lai as Ko's deputy in the presidential election. This allows him to avoid embarrassment, preserve his dignity in front of Taiwanese voters, and prevent Beijing from using it as an excuse for sanctions. He himself could fully pursue a candidacy for the legislature. According to nationwide surveys conducted by the TPP, party chairman Ko Wen-je is currently trailing behind DPP candidate Lai Ching-te by nearly 10 percent. Meanwhile, Gou retains the support of 10 percent of loyal followers, which are crucial votes that the TPP needs at this moment. Therefore, Ko is highly motivated to court Gou during this critical juncture.

### **Gou possesses the strength and timing to potentially crush the KMT**

Mr. Gou recognizes that his collaboration with Ko has the potential to weaken the KMT, ultimately altering the political landscape of Taiwan in an unprecedented manner since 1949. He represents a kind of third force in Taiwan's political landscape, which has sent a significant shockwave through the increasingly fragmented KMT. This is not only tied to the crumbling of the political landscape of the Blue camp but also connected to his prowess as a successful entrepreneur and his global perspective. Recently, Ko Wen-je openly disclosed to the media that he was deeply inspired by Gou's multinational business mindset and global geopolitical perspective. He believed that these intellectual insights definitely surpassed what he and Hou Yu-ih of the KMT could achieve together. This sentiment partially aligns with Gou's spokesperson's public statement, emphasizing that acquiring over a million endorsement signatures cannot be solely accomplished through financial means.

Is Gou concerned about potential retaliation from the KMT in the future? Currently, he may not have the luxury of dwelling on such matters. By collaborating with the People's Party in the Legislative committee election and becoming a significant minority force in Parliament,

the KMT may not even have an opportunity to retaliate against him. Furthermore, Gou's channels and means of communication with Beijing are not necessarily weaker than those of the KMT. Gou possesses a distinctive capability to address the technological and economic concerns that are significant to Taiwan's mainstream society. The legislative elections provide him with a better opportunity to fully demonstrate his strength within Taiwan's political landscape, and it may even test his potential to establish a new party, similar to the desires of over 62% of Republicans who wanted Trump to do so after the 2020 election. Indeed, this could be Terry Gou's genuine intention as a successful entrepreneur venturing into Taiwanese politics.