

國立政治大學亞太研究英語碩士學位學程

International Master's Program in Asia-Pacific Studies

College of Social Sciences

National Chengchi University

碩士論文

Master's Thesis

Money Talks? – Impact of Chinese Tourists on Taiwanese
Night Market Vendor's Attitudes Toward China

Student: Fabian Foeh

Advisor: Eric Chen-hua Yu

中華民國 102 年 07 月

July 2013

Money Talks? – Impact of Chinese Tourists on Taiwanese Night Market Vendor's Attitudes Toward China

研究生： 法比安

Student: Fabian Foeh

指導教授： 俞振華

Advisor: Eric Chen-hua Yu



Submitted to International Master's Program in Asia-Pacific Studies
National Chengchi University

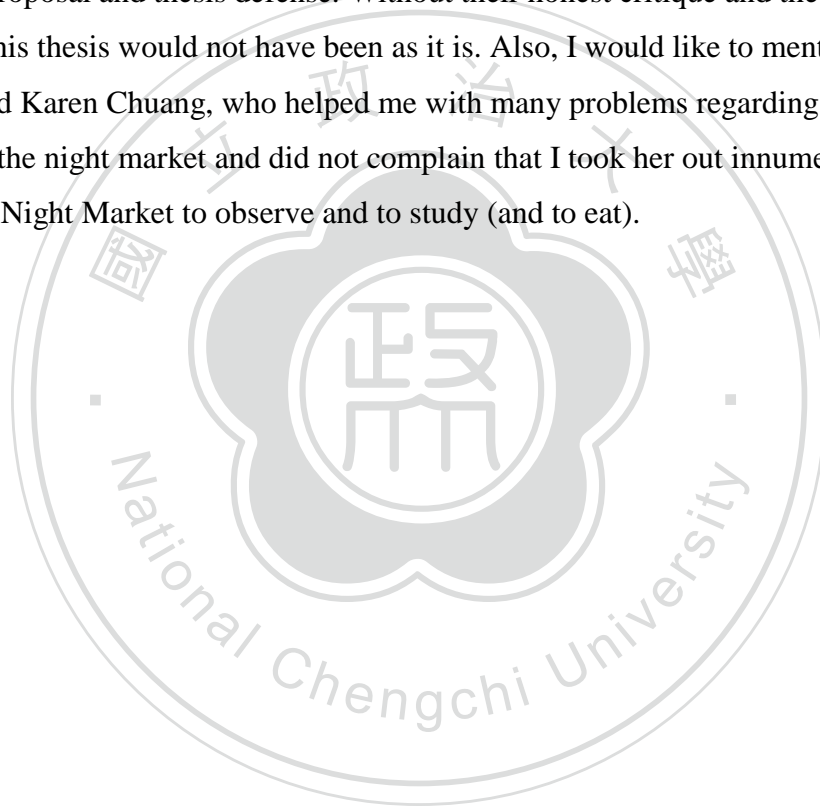
In partial fulfillment of the Requirement
For the degree of Master in China Studies

中華民國 102 年 7 月

July 2013

Acknowledgements

I would like to especially thank my thesis advisor Eric Chen-hua Yu and the committee members Ching-hsin Yu and Almond Meng for their help and very constructive criticism during the proposal and thesis defense. Without their honest critique and the contribution of their ideas this thesis would not have been as it is. Also, I would like to mention the help of my girlfriend Karen Chuang, who helped me with many problems regarding the empirical research on the night market and did not complain that I took her out innumerable times on the Ningxia Night Market to observe and to study (and to eat).



Abstract

An increasing number of mainland Chinese tourists coming to Taiwan offer material benefits for many vendors on Taipei's night markets. Using in-depth interviews, this thesis examines the effect of mainland Chinese tourists on attitudes of the night market vendors on Ningxia Night Market in Taipei on China related topics. The difference in economic transactions with Chinese tourists offers a possibility to study the influence of the related rational incentives and contact on policy attitudes and opinions toward: Chinese tourists, cross- Strait economic integration and the alienation from the PRC.

Taking into account the variables of business transactions and identity the study analyzes 22 interviews of night market vendors and suggests that vendors with more business transactions with Chinese tourists tend to have more favorable views on two of the three investigated attitudes. Vendors with more benefits from the increase in tourists also show a considerable amount of pragmatism in their opinions, which leads this study to assume a strong positive influence of economic incentives when compared to another possible factor like contact. While negative effects can be caused by identity, contact and incentives, the positive influence in this framework seems to be mainly affected by the incentives.

Keywords: Incentives, Identity, Contact, Night market, Public opinion, Attitudes toward China

TABLE OF CONTENTS

Acknowledgements	III
Abstract	IV
TABLE OF CONTENTS	V
1. Introduction	1
2. Literature Review	8
2.1 Public Opinion on Cross-Strait Issues	10
2.2 Affective Identity	13
2.3 Business Transactions with Chinese Tourists	14
2.5 Hypotheses	18
3. Research Framework	21
3.1 Dependent Variable: Attitude Toward Mainland China	23
3.2 Independent variable: Affective Identity	24
3.3 Independent Variable: Business Transactions with Chinese Tourists	24
4. Interview Analysis	26
4.2 Amount of Business Transactions With Chinese Tourists	30
4.3 Attitudes Toward China	33
4.4 Pragmatism and Habituation	39
4.5 Self-Assessment of Influence of Mainland Tourists on Policy Attitudes	44
4.6 Summary of the Findings	46
5. Conclusion	50
6. References	55
7. Appendix	60
7.1 Questionnaire	60

1. Introduction

“The current phase of cross-Strait relations is fundamentally one of ‘political confrontation with economic integration.’” (Wu 1997).

The economic interactions across the Taiwan Strait “will determine the future of cross-Strait relations” (Keng, Chen, Huang 2006).

Within the complex field of Cross-Strait relations, the aspect of the Cross-Strait integration has become increasingly important. Especially after the implementation of the Economic Framework Agreement (ECFA) between the governments in Taipei and Beijing, a new phase of economic interaction has been engaged. While many studies try to answer questions regarding the Cross-Strait policy by treating the two involved states as unitary actors, this study will follow a different approach and focus on factors outside of the traditional “state”. Economic interactions are dependent and closely tied to the public opinion in Taiwan. Since Taiwan is a democratic country and its government is elected by democratic institutions, the public opinion can directly and indirectly influence government and government policies (Page, B. I., & Shapiro, R. Y. 1983; Sheng 2002).

During the last couple of years, an increasing number of Chinese tourists have come to Taiwan. Responsible for this development has been a series of agreements between the governments on both sides of the strait in close relation to the Economic Framework Agreement (ECFA), which made it possible for mainland tourists to visit Taiwan. The first step of this happened in 2008 after the election of president Ma Ying-jeou. Ever since, the number of tourists has increased substantially and now reached over 2.5 million during the year 2012 (Mainland Affairs Council 2013A). First, Mainland Chinese tourists were only allowed to come to visit in groups, but this has been further relaxed in the year 2011. Now individual travels are also possible (Chan 2012).

Some of the main attractions for the tourists are the popular night markets in Taiwan, which are being visited frequently. In 2011, 73.99% of all interviewed inbound visitors to Taiwan said that they would participate in night market sight-seeing, which was only outranked as most favored activity by “shopping” (Ministry of Transportation and Communication, Tourism Bureau 2011). Some of these night markets are being visited by very large numbers of visitors and benefit directly from their spending. While no actual data on the average spending for night markets exist, a tourist coming from China spent 270 USD on average per day in 2011 and a part of this spending is being done on night markets (Ministry of Transportation and Communication, Tourism Bureau 2011).

Using in-depth interviews, I will try to examine the effect of the Chinese tourists on the public opinion of the night market vendors on Ningxia Night Market in Taipei. I want to study the attitudes among those vendors on cross-Strait related issues and try to assess the question whether these are being affected by the presence of tourists or not. The increasing number of Chinese tourists offers material benefits for many vendors on Taipei’s night markets. The difference in economic transactions with Chinese tourists offers a possibility to study the influence of the related rational incentives and their effect on policy attitudes and opinions. Night markets are a good object to study, because they offer a good and easily accessible environment to directly assess the impact of tourists resulting from cross-Strait economic integration and government policies. Especially for the rather low income workers on night markets, of which many operate their own business, the increased number of customers matters and directly affects their income.

I set up a framework to study the economic benefits for the vendors on Ningxia Night Market and check for the influence of those different levels of business interactions with mainlanders on different levels of attitudes. The attitudes I am interested in are directed toward Chinese tourists, cross- Strait economic integration and the alienation of the Taiwanese people from China. Do vendors, which benefit more from Chinese tourists, adopt a different view on the visiting tourists? Do they take a more favorable viewpoint on cross-Strait economic integration? Do the material benefits and the gains from Chinese tourists on those night markets alter their feelings of alienation from the mainland? And finally, do the

vendors themselves think that the presence of tourists has altered their political attitudes and opinions? All these are questions, which I want to be able to answer for the small sample of night market vendors in this study.

The influence of tourists on the attitudes toward cross-Strait related issues can be caused by two different factors: rational incentives and the contact between the two groups with each other. Different levels of affective identity among vendors also have to be taken into account and included into the study.

The structure of this thesis is as follows: in the second chapter, I will briefly discuss the main variables, related literature and include all the main theories, which are important for this work. The research framework of this study follows in section three and is followed by an overview of the research methods and the analysis of the interviews in section four. Section five concludes. References and the appendix can be found in sections six and seven. Before introducing the framework, a short outline of the general situation is given to clarify the background conditions of this study.

Background Information

The Economic Cooperation Framework Agreement (ECFA) as the main agreement of cross-Strait economic integration is probably one of the most important agreements in the history of Taiwan. After the diplomatic ties between Mainland China and Taiwan had been significantly improved and the KMT had come back into power in 2008. The ECFA was signed on June 29th 2010 in Chongqing. This agreement is a preferential trade agreement between the two countries and marks a policy shift. Tariffs have since been reduced and commercial barriers removed to facilitate closer economic ties between both countries (Hong, 2010) and during the following negotiations tourism from Mainland China to Taiwan also has been liberalized.

Official documents advertise the framework agreement vehemently and speak of it as “creat[ing] unprecedented opportunities for Taiwan’s economy” (Org, E. C. F. A. 2010). Unlike more common Free-Trade Agreements, ECFA had no definite content or timeline

other than an “Early Harvest List”. However, it contained the intention to negotiate further agreements, of which today several already have been signed and others are currently still under conciliation. These post-ECFA negotiations will have a considerable impact on Taiwan’s economy and they are intended to ultimately open up substantially all trade (Hong, 2010).

Whereas ECFA is perceived very positively in foreign countries and China, the most debates about it happen to be right within the domestic politics of Taiwan. Concerned about the security of their country and in opposition to the former enemy of the civil war, people often fear the economic interdependence between China and Taiwan. The gradually deepened economic relations ECFA would bring about might be used by China to “force, coerce and manoeuvre toward unification” (Armstrong, 2010:5). Proponents of this argument fear the assymetric relationship caused by the size of China and its growing economy and that this progress might give China power over domestic economy and politics in Taiwan. Other scholars see this issue rather relaxed and propose that closer economic relations would also make Taiwan more valuable to the mainland and more dependend on it or even that Taiwan itself might get political leverage from the interdependence with China (Armstrong, 2010).

One source of this fear obviously is the role of identity, or in the terms of this study’s framework: the affective identity, in Taiwan. Another major argument is concerned with the development after ECFA is signed. ECFA is widely believed to offer a new basis for other states to take Taiwan as an economic player into account more seriously. At the moment, Taiwan’s ability to sign FTAs with other countries is seriously limited by its international relations to other countries. Before the signing of ECFA, Taiwan had only engaged in FTAs with Peru, El Salvador, Honduras, Guatemala, and Nicaragua (Armstrong, 2010). These are not major trading partners. But every other intent to sign trade agreements with different countries has been threatened by China. All of the above named countries, which have signed FTAs with Taiwan, have also diplomatic relationships with Taiwan and not with China. Every country with diplomatic ties with China is put under pressure to not engage in these kind of activities with Taiwan. Therefore, the preferential trade agreements of Taiwan have not really been significant enough to seriously boost the trade volume of Taiwan. Many analysts hoped to see a change in this regard after ECFA has been implemented, because the normalisation

of economic relations across the Taiwan Strait might allow Taiwan to engage especially the East-Asian region much more substantially (Armstrong, 2010; Chen W.).

But the possibility of Taiwan to actually follow up on ECFA with similar liberalization agreements with other economies without interference from China has been a difficult question (Rosen & Wang, 2010). The reasoning behind this debate is the claim that by signing further FTAs, Taiwan could not only boost its trade and subsequent its economy, but that by engaging in these kind of agreements it could also lessen the interdependence on the Chinese market. FTAs could function as strategic policies to prevent Taiwan from being marginalized in international trade. Especially the “ASEAN plus One”-FTA (the ten ASEAN states plus China), which was implemented in the same year as ECFA (2010), and the possibility of an ASEAN plus Three FTA region (in addition including Japan and Korea), would put Taiwan under pressure economically.

The probably most important positive arguments for signing ECFA have been made about the estimated Effect of ECFA on the economy. Predictions have been made about different industry sectors, which should benefit from the agreement (textile, basic iron and steel, petroleum and coal product manufacturing industries, plastic material and automobiles) and which should suffer from the competition (electronics, transport equipment, wood product manufacturing industries) (Hong, 2010). In general, the domestic demand-driven sectors of the industry, small and medium enterprises, and downstream companies in specific industries were identified as most vulnerable (Hong, 2010). The also potentially difficult sector of agriculture is left out of the early agreements and stays protected.

These effects of the free trade agreement with China might very well impact the public opinion of ECFA. Looking at the rational incentives for different kinds of industrial sectors or people, we assume that a more favorable opinion about ECFA is being held by those industry sectors and people, which can look optimistically at the future development.

If we categorize these opinions about ECFA, we can see different arguments for and against cross-Strait economic integration. We can broadly classify these arguments in economic (or rational) arguments and value (or symbolic) arguments. National identity, nationalism and the perception of China as a threat to Taiwan do significantly influence the

public opinion about ECFA, facilitate protectionist agendas and a rather negative view of Mainland China. But if we look at the material incentives included here, we can see that for economists, disregarding all of the security issues or value-based arguments against ECFA propose a purely economic viewpoint and would stress the maximizing of general welfare¹.

It is probably no coincidence that ECFA, embedded in a general improvement of cross-strait relations, was signed in the aftermath of the 2008 global financial crisis. While there might be pros and cons to every agreement on trade, the general view of scholars predicts that a FTA can boost business for both partners and benefit the economy (Hong, 2010; Armstrong, 2010; Chen W.; Rosen & Wang, 2010). This may be even more true, if we look at the “combination of economic complementarities [...] and geographic proximity as well as psychological distance” (Hong, 2010:4). Taiwan and China’s economy are highly complementary. While Taiwan has advantages in high technology and skilled labor and is more industrialized, China can conversely offer high abundance of unskilled labor and low cost production (Armstrong, 2010).

Turning to actual data-based predictions, we find several studies estimating the effect of ECFA on the domestic economy of Taiwan. The Chung-hua Institution for Economic Research (CIER) has predicted that Taiwan’s economy will grow from 1,65% to 1,72% after signing the ECFA and domestic GDP will increase from US\$ 6.9 billion to US\$ 7.1 billion. Employment is foreseen to rise by 257,000 to 263,000 people and each of those factors will positively affect Taiwan’s economic performance (Cited in: Org, E. C. F. A. 2010).

Therefore, we can see that rational incentives should lead to a rather positive view on cross-Strait economic relations and probably the image of Mainland China in general. In contrast, affective arguments and security concerns would influence the public opinion in a negative way and lead to a more negative view on cross-Strait economic integration and the

¹ While economists disagree on many different issues, the topic of trade is being debated mainly technical. Although this issue is highly disputed among the public, we can find a mainly universal consensus about the quality of international trade: Free trade is a good thing (Mayda & Rodrik, 2005). While we can find many views favoring protectionist viewpoints in politics, the scholars agree upon the fact that international trade maximizes the overall wealth and, therefore, should be adopted by all countries.

image of Mainland China. Thus, I expect the view on cross-Strait economic integration to be mainly influenced by rational incentives and affective identity. By looking specifically at the role of the tourists, I hope to see, whether the night market vendors in Taipei, which benefit from the increased amount of Chinese tourists in Taiwan, respond to these material incentives and the contact with tourists and hold different views than their counterparts, which do not enjoy the same benefits. We now turn to the literature regarding this topic and to clarify the main terminology and variables used in this study.



2. Literature Review

「理性自利」與「感性認同」為晚近政治學中兩個不同的理論取向，人們不論是在私生活領域中的行為，或是於政治社會公領域中的公共行動，往往都同時受到情感價值和利益物質所推動，而且這兩個行為動機經常混雜難辨。

„Rational incentives“ and „emotional identity“ recently have become two different theoretical directions within political science. No matter if in the realm of private actions or in the public realm of political-social actions, people always are being influenced simultaneously by emotional values and material interest and these two motivations are often times very much entangled and hard to analyze separately.

(Wu 2005)

Like described by Wu Naide in the citation above, Taiwanese politics, or better: the interest of vote maximization and winning elections for the political parties in Taiwan, has been described by many scholars as an issue, which is affected by mainly two forces: “rational incentives” and “affective identity” (or emotional identity). These are being recognized by many scholars as the powers, which determine the public opinion in Taiwan and face each other antagonistically (see the following articles: Wu 2005; Chen, Keng, Tu, Huang 2009; Keng, Liu, Chen 2009; Liu, Keng, Chen 2009; Chen, Keng, Wang 2009; Keng, Chen, Huang 2006).

The prevailing view suggests that rational incentives, such as economic interest, influence the view of the public on cross-Strait Economic exchange and China positively, while an “affective identity” (holding a Taiwanese identity) accounts for a more negative view of cross-Strait economic exchange or China in this process (Keng, Chen, Huang 2006).

The terms “material interest” and “affection” for this issue in the context of Taiwan have been coined by Wu Naide in his article “Romance and Bread: A Preliminary Study of the Identity Change in Taiwan” (“麵包與愛情：初探台灣民眾民族認同的變動”; Wu 2005), but there is a wide range of different translations for these terms in the literature on

the topic. While the “romance” (affection) and the “bread” (material interest) in the title of Wu Naide’s article itself also are being used as descriptions of the two forces, we find terms like “sense” and “sensitivity” (Keng, Chen, Huang 2006), “idea” and “practice” (Liu, Keng, Chen 2009) or “pragmatism” and “principles” (Keng, Liu, Chen 2009). All of those terms do point at the same antagonism between the “rational interest” and the “affective identity”.

A large body of scholarly work is devoted to the question, which of the two factor’s influence is larger. What these papers have in common, is the notion that they all find that both, “rational incentives” as well as “affective identity”, do influence the public opinion on cross-Strait related issues (Keng, Chen, Huang 2006; Keng, Liu, Chen 2009; Chen, Keng, Tu, Huang 2009; Liu, Keng, Chen 2009; Chen, Keng, Wang 2009; Keng, Chen 2003). What those articles differ in most of the times, is the degree of influence that is attributed to the two factors and sometimes also the quality of that force. Some articles suggest that the affection or group identity, which is supposed to lead to a rather negative view of cross-Strait economic integration, is the dominant one and is responsible for the public opinion on that topic and the rational incentives only play a minor role in the process (Wu 2005; Chen, Keng, Tu, Huang 2009; Keng, Chen & Huang 2006).

Some of those scholars even think that group identity and “symbolic factors” actually underlie and form the foundation of the rational self-interest. In this view, the affective powers do actually decide which rational and material incentives we regard as favorable and which ones we do not. (For a good discussion of this topic refer to: Chen, Keng, Tu, Huang 2009).

On the other side are the theorists, who focus on the rational incentives and think these motives are the most important in forming the public opinion about cross-Strait economic exchange (Keng, Chen 2003). Concerning the quality of that force, there are also theories supporting the directly opposed argument of the proponents of the above stated “affective”-argument. Those theorists hold that the affective powers are, in fact, caused by group interest. Building on the work of Russell Hardin, these scholars hold that beneath the level of personal benefits and personal incentives there is also a societal or group incentive, which shapes the long-term identity and, therefore, can also account for the dimension of the affection in

public opinion (Hardin 1995; Funk, C. L. (2000); Chen, Keng, Tu, Huang 2009; Keng, Chen, Huang 2006).

In this study we can find both of these major factors as important concepts. The increase of Mainland Chinese tourists coming to Taiwan allows us to study the effect of this development and the importance of both factors on this issue. The purpose of this study is to measure the influence of Chinese tourists on the attitudes of vendors and get a better understanding of their thinking and the change of their opinions. Therefore, I will first introduce and set up a framework for the study of tourists influence on vendor's attitudes and develop a working definition for the dependent variables: attitudes on cross-strait attitudes. Then I will turn to the independent variables (identity and business with tourists), before concluding this chapter and introducing the research framework.

2.1 Public Opinion on Cross-Strait Issues

Although much literature exists on the unification/ independence issue and it is one of the core questions in Taiwanese politics today, for this study the primary focus will not be on this topic. This issue has been present for many years and is highly politicized. Scholars like Sheng showed that a close relation between the respondent's identity and their views on this issue exist (Sheng 2002). The present study has a different approach and wants to specifically analyze the attitudes of night market vendors and the changes in these opinions. Thus, it focuses on attitudes, which are influenced by short-term impact. Those longer lasting policy issues like unification/ independence might not be influenced directly by the tourists and, therefore, their influence might not be visible here. Studies find significant influence of short-term variables like rational incentives on the image level, but most of them fail to recognize significant changes on the level of (political) identity (Keng, Tseng 2010). In the context of the present study, I will, thus, focus on other areas of attitudes. The main emphasis is put on questions regarding other contentious issues with a more immediate and short-term oriented background, which can be seen as belonging to the image level instead of the

identity level. For this purpose, the study concentrates on three issues: Attitudes toward Chinese tourists, economic interactions with China and political opinions on China.

Attitudes Toward Chinese Tourists

While there is substantial literature on Taiwanese politics and cross-Strait related issues, the views of the Taiwanese public on China and the Chinese people has not been studied as thoroughly. This is astonishing because this aspect of public opinion could also give interesting insights into other areas of research on this topic. Among the few recent accounts of public opinion of Taiwanese people toward other countries is the work of Gries and Su (2013). In their paper, they show that Taiwanese people tend to have negative feelings toward China, which ranks second last only before North Korea in a ranking of attitudes comparing 19 countries conducted in 2011. While, not surprising, Taiwanese people on average felt the warmest toward their own country, China ranks low in absolute and relative terms.

For the present study, the attitudes about the Chinese tourists will be among the most important measures of attitudes. Although no substantial body of research exists to compare results with other studies, the everyday presence of the mainlanders tourists on the night market should invoke strong attitudes among most vendors. While some vendors might have no interest in economic or political affairs, this issue directly affects their working situation on the night market and, therefore, strong reactions are expected among the vendors. The results of Gries and Su's study also suggest that the attitudes on Chinese people should tend to a more negative view.

Cross-Strait Economic Integration

The pace of trade liberalization with mainland China has been a contested issue in the Taiwanese public. Since president Lee Teng-hui announced the "no haste, be patient" policy

in 1996, there has been discontent among many of the Taiwanese businessmen and repeatedly demands for trade liberalization have been issued (Sobel, Haynes & Zheng 2010). But polls show that protectionist views have been dominant all throughout the 1990's and the early 2000's. Only then leading up to the year 2007, the support declined to 44% and the percentage supporters of cross-Straits economic integration increased from 18% in 2003 to 42% in 2008 (Sobel, Haynes & Zheng 2010). Since then, the majority of Taiwanese people prefer a modest trade liberalization of cross-Straits economic integration. According to statistics of the Mainland Affairs Council, we can see that the pace of cross-Straits economic integration seems to be just about right for about 45% of the people (Mainland Affairs Council 2012) and has a rising tendency since the ECFA has been signed in 2010.

To explore the attitudes of night market vendors on this issue will hopefully give some more insights into the influence of their economic incentives. The specific focus on the economic side might be also favorable for this study, because it addresses rather the short-term benefits of the people. The nature of this issue as an economic one also leads us to expect rational incentives as being especially important for this question.

Alienation of Taiwanese People From China

Another set of attitudes, I want to address, is the alienation of Taiwanese people from China. This question is also related to the complex area of cross-Straits relations and, just like for the issues of attitudes toward tourists and cross-Straits economic integration, should highlight the short-term prospects rather than the long term expectations. While attitudes toward tourists touches primarily upon the personal feelings of the vendors and the issue of cross-Straits economic integration is primarily an economic issue, the alienation from China can be seen as a first and foremost political topic.

Just like the questions on cross-Straits economic integration, this issue has been studied intensively by several institutions and, again, we can use the data of the Mainland Affairs Council to observe the development over the last couple of years. Sobel, Haynes and Zheng observe "significant movements in the percentage of the Taiwanese public" (Sobel,

Haynes & Zheng 2010: 14) on this topic during the years from 1998 to 2004. At the end of this period, we find that 62% of people saw the relations between China and Taiwan as hostile during spring 2004 (Sobel, Haynes & Zheng 2010: 14). Looking at current data, we find that the percentage has dropped since then and currently resides at 43.9% (Mainland Affairs Council 2013B).

2.2 Affective Identity

As mentioned in the introduction, the affective identity is often regarded as one of the two major factors influencing the opinion toward cross-Strait related issues in Taiwan. Together with rational incentives, affective identity can be seen as influencing the public opinion on China related issues. Both forces represent distinct traditions of theoretic thought within the political science tradition. While rational choice theory predicts that the rational interests of individuals will shape their public opinion and that the desire to maximize the self-interest accounts for the political activities of people, the symbolic politics thesis gives support to the affective identity as an important factor.

David Sears and others have developed this idea as an antagonistic force to rational behavior in public opinion. Symbolic politics as defined by Sears argues that symbolic and affective attitudes shape political behavior. These attitudes are not as much influenced by short-term consideration like rational behavior is believed to be, but rather formed through socialization and during early childhood. Therefore, it is also harder to change and can be seen as a factor, which has a long-term influence (Sears, Lau, Tyler & Allen 1980; Sears & Funk 1990; Edelman, M. 1985).

In the tradition of symbolic politics, “people acquire stable affective preferences through conditioning in their pre-adult years, with little calculation of the future costs and benefits of these attitudes” (Sears, Lau, Tyler & Allen 1980: 671). Among those preferences the most important ones are those, which are rather general predispositions like party identification, ideology, nationalism or racial prejudice. Political attitudes are being formed

according to long-term predispositions and values about society and politics and the similarity of symbols in policy issues and the long-term values determines the political action. Short-term considerations do not play an important role in this view and “political and personal lives exist largely isolated from one another” (Sears, Lau, Tyler & Allen 1980: 671).

In the context of the present study, it is important to address the role of the affective identity. As argued by Wu Naide and others, it might play a major role as an independent variable. While the economic incentives generated by the mainland Chinese tourists, might influence certain vendors attitudes positively, the affective identity dimension is believed to have a rather negative influence on public opinion toward the cross-Strait economic integration for people holding a Taiwanese identity. The group, personal, and political identities of respondents might also have a large influence of their choice of attitudes.

The purpose of this study, however, is to address the short-term considerations of vendors and to analyze specifically the role of the Chinese tourists. Because it is the influence on short-term attitudes and opinions is important to us, the affective identity is designed to be a rather constant factor, which should not be affected by the everyday business transactions and remain largely unchanged. Because of the nature of affective identity and its development being largely conducted during socialization and pre-adult years, we can assume that the identity of the vendors did not change significantly during the two to three year period, in which the main increase in Chinese tourists happened. This is not the case for the second and main independent variable of this study: the business transactions with Chinese tourists.

2.3 Business Transactions with Chinese Tourists

The main independent variable in this study will be the amount of business transactions of the different vendors with Chinese tourists. The measurement of this variable will provide the means to group the vendors into different “economic benefit groups” and to see if the amount of business transactions influences the views of the vendors in any way. According to many

theorists and as we have seen before, the public opinion in Taiwan is believed to be influenced mainly by the factors of affective identity and material incentives. The amount of business transaction or the economic benefit of the vendors is obviously very closely connected to those material incentives. Every business transaction is a favorable event for the vendors, because they earn money of the Chinese tourists. Therefore, one might consider the business transactions and the material incentives as one and the same. However, in the present framework, this assumption falls short of another important factor.

When assessing the influence of economic incentives on the night market based on the business transactions with Chinese tourists, we would not only measure the economic incentives alone. Other than the pure economic business transaction, there is also a different factor, which will distinguish vendors with many Chinese customers from their counterparts. They do not only get economic benefits, but by being involved in those business transactions with them, the vendors also might get exposed to the tourists more often than the vendors, who do not enjoy the same business with the mainlanders. Economic incentives and contact are highly correlated in this situation and are embedded in the whole process of the business transaction itself. While this process naturally incorporates some kind of contact as well as economic benefits, the concept of those two ideas is very different. While it is impossible to measure these two concepts separately in the current framework, it is still necessary to distinguish them conceptually, if we want to explore the influence of both factors alone. Therefore the variable of business transactions with Chinese tourists has to rely upon two separate concepts, if we want to clarify the effect of those business transactions and shed light on the quality of the nature of those transactions. Starting with a conceptual assessment of the material incentives this chapter aims at clarifying this complicated relationship.

A key assumption in rational choice theory for political behavior is that individuals constantly try to maximize their self-interest. This also applies for political behavior and, therefore, predicts that people will act politically according to their own personal benefit and choose the actions, which provide the greatest personal benefit for them (Downs 1957). This argument has been very common ever since it gained popularity, but as some authors note, can also be found in as early works as those of Thomas Hobbes (Funk 2000; Mansbridge

1990; Monroe 1991). For the research on public opinion, this question has also been a central one and the question whether people's beliefs and behavior are guided by rational incentives and self-interest has been prominent in "virtually every Western moral philosophical and psychological theory" (Lau & Heldman 2009: 513; Sears & Funk 1991).

The definition of self-interest is a complicated one, but I would like to adopt the working definition of Sears & Funk as the "(1) short-to-medium term impact of an issue (or candidacy) on the (2) material well-being of the (3) individual's own personal life (or that of his or her immediate family)" (Sears & Funk 1990: 247). This definition includes three basic psychological assumptions: "the idea of materialistic hedonism ... the idea of egotism ... and the idea of rationality" (Sears & Funk 1990: 247) and excludes other possible factors of self-interest like long-term considerations, non-material aspects of well-being and interests that affect well-being of the individual's groups, but not the individual itself.

Rational incentives will be the first part of the main independent variable of this study. Special regard will be directed toward the dimensions of past or retrospective considerations (i.e. experiences) and present or prospective rational incentives (i.e. future expectations). The distinction between retrospective and prospective considerations on the rational incentives is important because both differ in their purposes: Looking back retrospectively, "allows people to express their pleasure or dissatisfaction with what the government has done" and, thus, they are "potentially a means of holding the government accountable for economic conditions" (Conover, Feldman & Knight 1987: 559). In contrast, prospective evaluations allow people to express their view about preferences for future economic development and, therefore, those are rather a "means of shaping economic policy" (Conover, Feldman & Knight 1987: 559; Chappell & Keech 1985).

According to rational choice theory, vendors with more business transactions with Chinese tourists, therefore, should be influenced positively in his attitudes. The material incentives they get from this relationship should cause them to alter their attitudes and opinions. This is also the assumption, which has been used by Wu (2005) and many others in their assessment of the public opinion in Taiwan. Although the effect of the incentives is supposed to have a positive effect only, matters are very different for the other aspect of the

business transaction. Contact, on the contrary to material incentives, might influence attitudes as well and can have a positive and/ or negative influence.

When we look at the work of Gordon Allport, who developed the “contact hypothesis” we can find some explanations for this. In his “contact theory”, Allport proposed that prejudice reduction would occur when members of divergent groups met and developed relationships with members of the out-group (Allport 1954). Today many researchers have provided empirical research to support this core proposition in situations where four key conditions are present: equal group status within the situation; common goals; intergroup cooperation; and the support of authorities, law, or custom (Brown & Hewstone 2005; Pettigrew 1998). Therefore, many researchers hold that by increased contact between two groups, the prejudices and attitudes toward the out-group will change to a more positive status.

But, as Pettigrew & Tropp (2006) show, the contact hypothesis can also have a negative impact. In fact, Paolini, Harwood & Rubin (2010) demonstrate that the negative effect of intergroup contact might even overshadow the positive effect. They predict that negative contact makes individuals more aware of their respective group memberships and confirm this prediction in two studies (Paolini, Harwood & Rubin 2010; Barlow et al 2012).

This theory does not exactly apply for the present study. Starting by the four core propositions of contact theory, we see that in the relationship between China and Taiwan, not all of those propositions apply. The conditions of an “equal group status within the situation” and “support of authorities, law, or custom” are at least questionable. But for the “common goals” and the “intergroup cooperation” the matter is different and it is safe to say that there are considerable differences between both of the groups. This evokes problems with the framework of contact theory, especially as a positive force. Even more importantly, the contact theory also implies “contact” as its most important aspect. While there certainly exist business transactions between both of the sides, this is a very limited experience in terms of time period and quality and it is not sure if the term “contact”, like it is used in the above cited works, even applies to this kind of transactions and can be seen as a process of “developing relationships” as Allport (1954) suggested. As there are many prejudices about

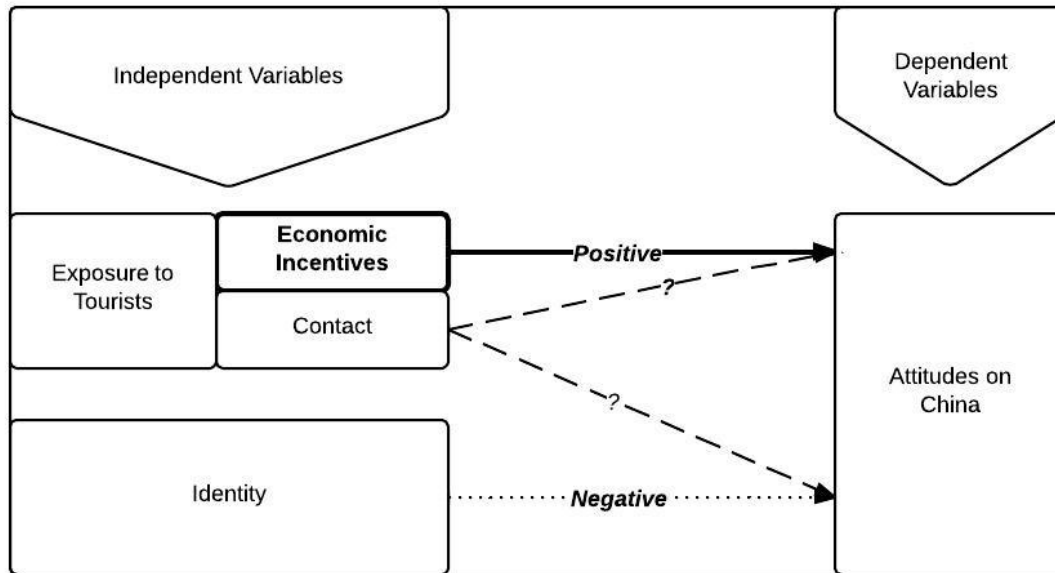
Mainland Chinese people in Taiwan and the political situation – as well as the historical developments – have shaped the image of Chinese people significantly (for this also see: Gries and Su 2013). The special situation between those two states and the very limited version of a “contact” speak against a useful effect of this theory in the present case.

However, we cannot completely disregard the possibility of the contact among vendors and tourists as being important in this framework. But since the theory as developed by Allport does not seem to apply to the present situation, I will consider a limited version of this concept, which is derived by Allport’s ideas and the possible influence to the positive and negative side on the attitudes of the vendors. To shed light on the issue and because of the difficulties of measuring contact and incentives separately, I will measure the business transactions of vendors as a whole and then make use of the qualitative set up of this study to look into the answers of vendors to try to differentiate between arguments, which do suggest a role of incentives, and arguments supporting the role of the contact.

2.5 Hypotheses

By using the research framework outlined above, I want to try to assess the influence of Chinese tourists on the attitudes of night market vendors in Taipei. The set up should allow me to gain insights and to understand how the presence of mainland Chinese tourists on the Ningxia Night Market affects the opinions and attitudes of Taiwanese vendors. Therefore, I will start from an evaluation of vendor’s affective identities and then look at the amount of business transaction with the Chinese tourists and categorize the vendors into three distinct groups. A discussion of the vendor’s attitudes toward Chinese tourists, cross-Strait economic integration and alienation from the PRC then gives us the chance to compare the attitudes of vendors with their level of business transactions. At last, an assessment of the quality of the answers on the attitudes will be used to further differentiate the amount of business transactions influence into the effects of incentives and contact.

Chart 1 - Variables



Through this analysis, I hope to see whether vendor's responses show a relationship between the business with tourists and their attitudes on the three China related issues and, thus, gain insights into the quality of this relation for the three different aspects of the attitudes. By looking deeper at the motivation and reasoning behind their answers I hope to clarify, whether the attitudes are solely influenced by economic incentives or if contact with the tourists is also an important factor in this situation. At last, vendor's self-assessment of the influence of the tourists on their attitudes will be analyzed and a comparison of their answers and the empirical results will be drawn.

I expect the vendors with more business transactions with Chinese tourists to express more positive or moderate views than those with less benefits (Hypothesis 1). This reflects the assumption that the business transactions with Chinese tourists have a positive effect on the attitudes toward China either through contact or economic incentives. As I expect the effect of incentives to be stronger than that of the contact, those same vendors of the high benefit group should also show a considerable amount of pragmatism and use economic arguments to support their views (Hypothesis 2). This can help to show that the contact as a

possible factor within the business transactions does not have a positive effect in the situation on the night market or at least is less important than the effect of the economic incentives.



3. Research Framework

The basic idea of this study is to explain how mainland Chinese tourists in Taiwan influence the images and attitudes on cross-Strait related issues among night market vendors in Taipei. As expressed earlier, this study wants to look especially at the economic incentives and the contacts of the Taiwanese vendors and observe their effects by comparing the opinions of vendors with a different exposure to Chinese tourists. In the following section, I will introduce my framework for the in-depth interviews.

There are many reasons why I decided to look at night markets for the empirical part. Although this choice might not immediately come to mind for some, it can serve as a very good case study, when doing research on economic incentives and attitudes in Taiwan. This is because many of the background conditions are very favorable for the researcher. First, all the study objects are located in a somewhat confined area and have very similar business conditions. Logically, all of the businesses on a night market mainly open for the same hours, offer very similar goods, and – most of the time – try to address a similar customer base. On top of that, one can expect that vendors themselves also tend to have a largely similar background. Most of the people working in a restaurant or food both of the night market probably do not have any college education and have similar career options, fall generally in a similar age group and also seem to roughly have similar ethnic backgrounds. All these factors allow for a very good comparability and allow us to focus on the main variables while minimizing the outside factors.

The second very big advantage that night markets in Taiwan offer for this research is the good environment to study the influence of Chinese tourists. While many night markets have been around for some decades, there have been very recent changes and some of the markets have seen a sharp increase of mainland Chinese tourists. Because this increase of tourists in Taiwan is very well documented and night markets are among the prime destinations for many of the tourists, this offers a very good chance to study the change in incentives and related attitudes among those vendors. In addition, business transactions with the Chinese tourists also affect different night markets and different businesses in a non-

uniform way. While some night markets register a large increase in tourists, others still mainly serve to local customers. Although some businesses are very popular among tourists, others are not and mostly frequented by the locals. This variation in benefit situations among a comparatively unitary group of vendors, allows for a prime environment to study the effect of Chinese tourists on the attitudes of vendors on China related issues.

For my case study, I am going to look at Ningxia Night Market in Zhongshan District of Taipei. Ningxia Night Market offers the researcher all of the above described advantages of night markets and further adds some specific ones, which make it an even better object to conduct research. Located in an area close to the city center, but not in direct contact to any of the major tourism sites, Ningxia Night Market has established itself during the 1940s and ever since attracted customers. The main business always has been food and this is the case until today with few exceptions of other businesses around (Zhang, Pan 2013). While the night market always attracted some tourists, it never really has been one of the top destinations for them and cannot be compared to night markets like the famous Shihlin Night Market. This continues to be the case until today, although the number of mainland Chinese tourists increased by a huge share and now makes up an estimated 30% of the customers on the night market (Lin Dingguo, personal interview, June 7th 2013). While other night markets, like the one in Shilin, always attracted very large number of foreign tourists, the scale of the development and increase of tourists on the Ningxia Night Market is very new for the vendors. For the research, this is a very good situation. These changes allow us to assess the changes and problems of the vendors with this development and to study these changes and its effect on attitudes over a period of time.

Another interesting feature of Ningxia Night Market is the fact that it has been established for a long time and presently also has a very low turnover rate (only about 10% of the businesses change per year; Lin Dingguo, personal interview, June 7th 2013). This means that most of the vendors are working on the night market for several years and gives business owners a good idea of the general business situation and future prospects. It is also important, because almost all of them were around to see the increase in tourists by themselves and they are able to compare the situation today with the business of former years.

Apart from increase in tourists and the turnover rate, the location of Ningxia Night Market also offers benefits for the empirical research itself. The night market is located almost entirely on Ningxia Road and stretches out in a fairly uniform way. In contrast to many other night markets with a large number of small alleys and sometimes confusing structure, the location of the booths in Ningxia Night Market should be less important than on other comparable night markets. The composition of vendors and businesses also seems to be very consistent and offers a good environment to conduct interviews and assess our main variable of economic incentives.

The empirical research for this paper has been conducted by using qualitative interviews of the vendors and business owners on Ningxia Night Market. Each of the interviewees has answered a set of questions and was asked to elaborate on the topic whenever possible. Interviews lasted about ten to fifteen minutes and concentrated on the following issues.

3.1 Dependent Variable: Attitude Toward Mainland China

Different questions on the attitudes toward mainland Chinese tourists and cross-Strait economic integration, and level of alienation of Taiwanese people from the PRC shall help us to get a picture of respondents' political views and attitudes. A special attention has been directed toward the changes of attitudes over time in all three cases. By comparing the results of these questions with the respondents economic benefits from the Chinese, we then can analyze those two variables and by evaluation of respondents' answers also get insights into the nature of this relationship. To further examine this relationship, questions about this relationship itself has also been asked and can shed additional light on this issue.

3.2 Independent variable: Affective Identity

The identity of vendors on different levels is used as a measure of their affective identity. As we have seen, the term affective identity revolves around “stable affective preferences” and is a rather long-term development, which is being conditioned during pre-adult years. Therefore, the measurement of identity used in many works on cross-Strait relations seems to be useful (Chen, Keng, Tu, Huang 2009; Keng, Liu, Chen 2009). In these articles, the identity of subjects is divided into three different levels: group identity, personal identity, and political identity. All of those can be seen in the context of symbolic politics and help us to understand the affective identity of the night market vendors. Questions on the ethnic background will account for the personal level, questions about the identification as Taiwanese, Chinese or both will give us information on the group identity and, finally, questions on the party identification will be used for information on the political level of identity.

3.3 Independent Variable: Business Transactions with Chinese Tourists

The second independent variable in this study will be the business transactions of the vendors at Taiwanese night markets with mainlanders. The measurement of this variable will be based on a self-assessment of the vendors of the night markets. Questions regarding the business activities with Chinese tourists have been asked to clarify the amount of business transactions and to evaluate the level of economic benefits each particular vendor enjoys. To further clarify the matter, vendors also have been asked to estimate the share of Chinese customers in their business and been evaluated according to this. A last question asked if in a hypothetical scenario (suddenly no customers from mainland China would come to Taiwan) the business of vendors would suffer. These assessments help us to group vendors accordingly and establish different “benefit groups” divided by their respective amount of business with the tourists.

Another way to assess the economic transactions is to look at the different kinds of businesses. One can expect certain kind of vendors to gain more from the Chinese tourists than others. Especially vendors, which are selling fruit or Taiwanese delicacies, profit from the mainland visitors. Businesses with larger food portions, which take more time to consume, or businesses, which offer textiles or other non-food items, are also expected to benefit less from the tourists, while food stalls with fast delivery and smaller portions or souvenir shops will benefit more.

As has been outlined in the theoretical section, the issue of business transactions with Chinese people can itself be conceptually divided into two factors. A similar influence as from economic incentives on the attitudes among vendors could come from the contact with the customers during the business transactions. While the influence of economic incentives is supposed to be largely positive, the influence of contact is believed to be negative, if it is present at all. To clarify this issue and assess the actual role of incentives and contact, the answers of respondents will be analyzed for the motivation of their arguments and the reasons they give us for their choices. By looking into these answers we, then, can distinguish between a more rational, economic reasoning or other arguments, which suggest a role of habituation and which one could expect to observe, if the contact would influence the attitudes.

4. Interview Analysis

Interviews were collected from April 25th to June 6th 2013 during low business hours (23 pm – 2 am) on Ningxia Night Market. In total 23 interviews were collected with one being invalid. Of the 22 valid interviews, 14 vendors were male and 8 female. Most of them were aged from 40-50 (9 interviewees), while six interviewees each were 30-40 and 50-60 years old. One vendor had not finished 30 years of age and was older than 20. An estimated average of the group age adds up to 44 years.

Vendors have been chosen based on two variables corresponding to the theoretical framework: ethnic background and amount of business with Chinese. The aim was to find a mostly uniform group in regards to ethnicity, but to allow for the greatest possible variation in terms of economic transactions with the Chinese tourists. Therefore, the kind of businesses among the interviewed vendors varies greatly and includes all kind of Taiwanese delicacies, fruit stands, small restaurants, foreign foods, tourist shops and so on. A focus has been put on food, because most of the 180-200 businesses on the night market operate on this business. Of the 22 interviews, 20 have been conducted among restaurants or booths, which sell food or drinks, and two among vendors involved in other businesses. Of all 22 interviewees, 19 were of Taiwanese origin (*benshengren*), while only three people have labeled their own families as having Mainland Chinese background (*waishengren*).

Every single vendor observed a large increase in Chinese tourists on the night market during the last two to three years. According to the CEO of the Ningxia International Delicacy Co, Ltd. (台北寧夏國際美食股份有限公司) the amount of Mainland Chinese tourists has increased about 300% compared to 2010 and these tourists now make up 30% of costumers on the Night Market (Lin Dingguo, personal interview, June 7th 2013). On weekdays without rain, 8000-10000 people come to the Night Market, which implies about 2400-3000 Mainlanders on the night market every day. On weekends those numbers double (Zhang, Pan 2013). This was easily confirmed by the vendors themselves. While the amount of Chinese customers was very different for different businesses, everyone agreed on the fact that there is a very sharp increase in mainland tourists.

Table 1 – Background Information of Vendors and Economic Benefit Categorization

ID No	Gender	Age	Kind of Business	Location	Ethnic Background	Economic Benefit Group
L1	M	50-60	Retail	Stall	No information	Low
L2	F	40-50	Food	Restaurant	Taiwanese	Low
L3	M	40-50	Food	Restaurant	Taiwanese	Low
L4	M	20-30	Food	Restaurant	Taiwanese	Low
L5	M	40-50	Food	Restaurant	Taiwanese	Low
L6	M	40-50	Food	Restaurant	Taiwanese	Low
M1	M	50-60	Food	Stall	Taiwanese	Medium
M2	F	30-40	Food	Restaurant	Taiwanese	Medium
M3	M	30-40	Food	Stall	Taiwanese	Medium
M4	M	30-40	Food	Stall	Chinese	Medium
M5	M	30-40	Taiwanese Delicacy	Stall	Taiwanese	Medium
M6	F	40-50	Fruit stand	Stall	Taiwanese	Medium
M7	M	40-50	Food	Stall	Taiwanese	Medium
M8	M	40-50	Taiwanese Delicacy	Restaurant	Taiwanese	Medium
H1	F	30-40	Retail	Store	Chinese	High
H2	F	40-50	Taiwanese Delicacy	Restaurant and Stall	Taiwanese	High
H3	M	50-60	Fruit stand	Stall	Taiwanese	High
H4	F	30-40	Fruit stand	Stall	Taiwanese	High
H5	F	50-60	Taiwanese Delicacy	Stall	Taiwanese	High
H6	M	50-60	Taiwanese Delicacy	Stall	Taiwanese	High
H7	F	50-60	Taiwanese Delicacy	Stall	Taiwanese	High
H8	M	40-50	Taiwanese Delicacy	Restaurant	Chinese	High

4.1 Affective Identity

To measure the affective identity of vendors on the night market, interviewees were asked questions on their personal, group, and political identities as well as on their opinion on cross-Strait economic integration.

The personal identity or ethnic background of vendors is largely the same. Of the 22 vendors, only three have a family background that leads them to categorize themselves as of mainlander origin (*waishengren*), while 18 vendors label themselves as having a Taiwanese family background (*benshengren*). We also see a strong tendency among those vendors in their group identity. Most of them see themselves as being “Taiwanese” instead of “Chinese” or “Both”. Out of all interviewees, 15 say they would call themselves “Taiwanese”, while there is only one vendor, which sees himself as being “Chinese”. Three respondent think they belong to both of those categories and two did not want to answer the question.

The political identity of vendors was harder to assess. Many of the interviewees did not want to share their views on this topic or claimed to have no tendency in either direction.² Only five people answered they would support one of the party coalitions. Four of them claimed to vote for the blue coalition, while one respondent maintained a tendency for the green coalition. Because we only have very few answers on this topic, it will not be taken into account for the classification of the vendors and I will focus on the personal and the group identity instead.

These answers show that the interviewed vendors mainly share the same personal and group identities. For the political identity, results are not very expressive. Those results, in general, do not differ too much from the data from the Mainland Affairs Council and the Election Study Center of NCCU. While the share of people with “Taiwanese” origin is comparatively high as intended by the choice of the vendors according to ethnicity and economic benefit situation (See also chapter 4), the tendency of vendors to label themselves

² Respondents were asked whether they support the blue or the green coalition. Blue coalition includes (KMT, NP and PFP), green coalition includes (DPP, TSU).

as “Taiwanese” instead of Chinese seems to be in general similar to the data of the recent surveys, although the choice of “both” identities is observed less (Election Study Center NCCU 2013). The data of the political identity does not really tell us much about the political identity of the respondents and is therefore not taken into account for the analysis.

Table 2 – Affective Identity of Night Market Vendors

Vendor	Kind of Business	Ethnic Background	Personal Identity
H1	Retail	Mainland	Taiwanese
H2	Taiwanese delicacy	Taiwan	Taiwanese
H3	Fruit stand	Taiwan	Taiwanese and Chinese
H4	Fruit stand	Taiwan	Taiwanese
H5	Taiwanese delicacy	Taiwan	Taiwanese
H6	Taiwanese delicacy	Taiwan	No answer
H7	Taiwanese delicacy	Taiwan	Taiwanese
H8	Taiwanese delicacy	Mainland	Taiwanese and Chinese
M1	Food	Taiwan	Taiwanese
M2	Food	Taiwan	Taiwanese
M3	Food	Taiwan	Taiwanese
M4	Food	Mainland	Taiwanese
M5	Taiwanese delicacy	Taiwan	Taiwanese and Chinese
M6	Fruit stand	Taiwan	Chinese
M7	Food	Taiwan	Taiwanese
M8	Taiwanese delicacy	Taiwan	No answer
L1	Retail	Taiwan	No answer
L2	Food	Taiwan	Taiwanese
L3	Food	Taiwan	Taiwanese
L4	Food	Taiwan	Taiwanese
L5	Food	Taiwan	Taiwanese
L6	Food	Taiwan	Taiwanese

4.2 Amount of Business Transactions With Chinese Tourists

We find large variation among the perceived business transactions of different vendors. Eight vendors readily admit to have a very good business with Chinese tourists. Two interviewees even estimated the share of Mainlanders among their customers to be above 50% (H4, H5). All of these eight vendors with large benefits were selling Taiwanese delicacies like Stinky Tofu, Fruit, Oyster Omelets, Aiyu Jelly Drinks or Souvenirs for tourists and some of them specifically targeted Chinese customers. Vendors in this group issued statements like “since 2 years they [Chinese tourists] are increasingly influential” (H1), “yes, about 50% of [our] customers are Chinese” (H4) or “yes, many [Chinese] people come here. They probably do influence our business” (H6).

The other 14 vendors more or less all said they don’t get large benefits from the mainland Chinese tourists. Answers included: “We don’t really benefit from them” (M2), “No, our [business] is already here for more than 40 years. We cannot earn any money off them. Our customers are mainly local people” (M6), “Not much. The customers make up for less than 10%” (L4) or “They only look and walk past. Very few buy something.” (L6).

But we can further divide this group, when we look at their perception of the importance of the tourists for the business. When asked, how a hypothetical scenario (suddenly all tourists from the mainland would stay away) would influence the business, we find six of the vendors still reluctant to admit any influence on the business: “No, we don’t get any benefit from them. More or less tourists wouldn’t make a significant difference.” (L2) or “They come only very seldom to our store at all. This would absolutely not influence business. It’s best if they do not come at all” (L5). On the other hand, there’s a group of eight vendors, who think this would have an influence on the business situation: “We would have less customers. It probably would influence our business a bit.” (M5)

According to the answers to those two questions, we then can divide the vendors into three different groups (see also Table 1):

- Large benefit group, which actively targets Chinese customers and earns a lot, if not even the major share of their revenues from the tourists (8)
- Middle benefit group, which does not easily admit to earn a lot of money, but which also in part relies on tourists as a source of income (8)
- Low benefit group, which does not perceive the large number Chinese tourists as a part of their customer base and denies the influence of them in business matters (6)

We can use these three groups to compare their attitudes and beliefs in light of those categorizations and therefore get a better understanding of the influence of the business with mainlander tourists on the independent variables. The composition of those groups itself is interesting and confirms our earlier assumptions. As noted above, the large benefit group consists only of Taiwanese delicacies or tourist oriented businesses. The two other groups tend to attract a relatively larger share of local customers and there are some observations, which do suggest explanations for this. At first, the low benefit group consists only of businesses, which do not sell any of the “famous” Taiwanese delicacies. Although some of the businesses are very well known on the night market and run their business for many decades (for example vendors: L4, L5, and L6) their food appears to not be among the “must-eats” for most of the Chinese tourists. The same is true for the businesses L2, L3, and L1, which appear to attract almost no tourists and aim almost entirely for locals. Businesses selling “stinky tofu”, Taiwanese fruits or other “branded” delicacies, however, can be found in the large benefit group, although not all of them necessarily attract that many Chinese customers.

This might be the case, because there also seems to be another factor which is important for the economic benefit here. Apparently, the location also plays a role. When we look at the medium benefit group, we find a large share of Taiwanese delicacies as well as some very regular businesses without any special reputation. In part, this can be explained by the choice of location. While all of the businesses in the low benefit group (with the exception of a retail store) are restaurants with seating, in which a considerable amount of time needs to be spend before consumption, almost all of the businesses in the large benefit group are stalls or

booths, which offer faster service and the possibility to eat “on the go”. The only two exceptions here are two Taiwanese delicacy restaurants, both of which are in a special position. The first business (H2) also has a small stall on another location of the night market and, therefore, gets the advantages of both business types and the second business (H8) is very different from most other night market businesses and requires a reservation weeks in advance, because they are so popular and do not rely on any passersby customers. Accounting for this, we find a possible explanation why all of the Taiwanese delicacies restaurants with seating are grouped together in the medium benefit group, while many ordinary food stalls also belong to the same group and the large and low benefit group both appear to be very similar in composition.

Future Economic Prospects

When asked about the future prospects, most of the vendors do not see any large difference compared to the present situation. The large benefit group does profit very much and all of the vendors of this group without any exception expect to gain a good share of any further increase of Chinese tourists on the night market. In contrast, the low benefit group largely expects to gain no significant benefits at all from this development. Notably, there are two exceptions here and one vendor states that “this could influence it [the business situation] a little and become more” (L6) and another one also hopes to get more customers and believes “the more [Chinese] the better” (L4). The medium benefit group is largely divided and, while some also hope for a larger share of Chinese tourists in the future (M4), there are also other vendors, which actually predict a negative influence on the business situation. For them, the main customer base still constitutes of Taiwanese people and they fear that the amount of tourists scares away many of the Taiwanese customers. They are anticipating a development similar to the popular Shilin Night market in Taipei, which is crowded with tourists from the mainland and from other countries and, therefore, avoided by many local Taiwanese: “[there are] too many Chinese on the night market. I feel they are even more than Taiwanese. Also, I’ve heard that some Taiwanese don’t come because of Chinese people. All together I now have less business” (M3), “[If the government allows more Chinese to come

to Taiwan] less Taiwanese come to the night market” (M5), “some Taiwanese do not come anymore because of the Chinese tourists” (H7). The future prospects with a further increase of tourists, thus, might cause very different results for the vendors. Those who do profit from tourists might have a very contrasting viewpoint of this development in comparison to the businesses, which largely rely on local customers.

Especially the fact that some of those vendors see the Chinese tourists affecting their business negatively is interesting for this research. While the overall future prospects match the present development and most vendors do not see a large change in the shares of Chinese tourists they will receive, the negative aspect in which the presence of Chinese tourists “scares” away the local customers is very remarkable and counter-intuitively suggests an influence of the amount of business with Chinese tourists not only on the large benefit group (positive), but also on the low benefit group (negative).

4.3 Attitudes Toward China

Attitudes Toward Chinese Tourists

Probably one of the major findings in this study is the obvious negative attitude of night market vendors toward Chinese tourists. When asked how they feel toward different groups of tourists (Westerners, Japanese and Chinese), a very large share of the vendors (16 out of 22) issued comments on the misbehavior of Chinese and only one of the vendors actually said something positive. Although even the vendor with the positive attitude limited the statement saying: “Asian tourists”, instead of Chinese tourists. “Asian tourists are more favorable here on the night market, because they spend more money than Western tourists” (H8).

Table 3 – Attitudes Towards Mainland Chinese Tourists

	Negative	Moderate	Positive
Large Benefit Group	5	2	1
Medium Benefit Group	5	3	0
Low Benefit group	6	0	0
Total	16	5	1

Like some of the negative statements, the moderate respondents highlighted the fact that there are many differences between Taiwanese and Chinese (“Chinese bargain a lot more” M1, M5, H3; “Chinese are louder than others” M7). But in contrast to the negative group, they limit themselves to describe the differences in a neutral tone or are indifferent in their opinion (“There’s love and there’s hate” H5). In general, they are classified moderate because interviewees seemed to prefer moderate statements instead of revealing their true feelings and, thus, it might be possible for them to diverge in either direction, positively or negatively.

Turning to the by far largest share, the negative accounts, it becomes obvious that there is a cultural gap between Taiwanese night market vendors and the Chinese customers. Many vendors connected the behavior of Chinese explicitly to bad intentions or made their negative attitude very clear. We find many people complaining about noise (L4, M3, M8, H2, H6) or the attempts to bargain on a night market with fixed prices (M3, H1, H4), just like in the accounts of moderate vendors. But, in the answers of these sixteen more negative vendors, we can observe statements like: “Chinese have no manners” (in many different variations issued by L2, L6, M2, M3, M4, M8, H1, H2, H6, H7). Some also connect negative experiences with the whole group of Chinese tourists: “Order without paying and then leave” (L6), “They touch our food and make the other customers feel uncomfortable” (M2, M6, H6). Although one vendor was aware of this oversimplification and stated that “the majority of [Chinese] people are very nice” (L6), he still held on to the view that there is a large number of “black sheep”.

Of the sixteen vendors with negative attitudes, again, five stand out and express especially negative attitudes. They stated that “the bad attitude [of the Chinese] affects all of the workers on the night market” (H7) or that “it doesn’t matter if they come or not” “they [just] make everything dirty” (M2). Some even said they hated the Chinese (L5), that they “sometimes drive me crazy” (H7), are “getting on my nerves” (M6), or that they “might as well not come anymore, all they do is to make everything dirty” (L1).

These results match the negative views, which Gries and Su (2013) observed in their study on attitudes of Taiwanese people toward other nations. As in their findings, the vendors on Ningxia Night Market seem to dislike the mainlanders in both absolute and relative terms. The comparison to either Japanese or Western tourists reflects this, as no vendor has a better opinion on Chinese tourists as on the other nationalities.

Looking into these findings from the perspective of the business transactions and categorizing the answers according to the benefit groups classified earlier, we then find something interesting. As one might have expected, there are no moderate or positive attitudes about the Chinese among the group with low amount of business with the Chinese tourists. All of the vendors in this sample, who do not profit from the increase of mainland tourists, have issued negative comments as stated above and seemed to be estranged from the mainlanders. Although, we also find many negative comments in both the medium and the large benefit group, all of the more moderate accounts can be found in both of these categories.

Change of Attitudes about Tourists over Time

When asked, whether the attitudes toward the tourists from the mainland had altered over the last two to three years, twelve of the vendors answered that they had changed positively and eight vendors responded that no change had occurred. Only one vendor stated that his attitudes had changed negatively, while one business had only been at the night market for less than two years and therefore could not answer this question.

Table 4 – Change of Attitudes on Mainland Tourists During the Last Years

	No change	Positive	Negative	No answer
Large Benefit Group	2	5	0	1
Medium Benefit Group	3	5	0	0
Low Benefit Group	3	2	1	0
Total	8	12	1	1

From the perspective of economic incentives, we would expect the vendors with more benefits to have a tendency toward a positive change in attitude, which reflects the material benefit, which those vendors can gain by the presence of the tourists, while the contact that those business transactions bring with them might have a negative or positive influence. The interviews show that only two of the interviewees of the large benefit group said that there had been no change at all, while four issued statements similar to “I got used to the manners” (H2, H3, H5, H6). The two vendors with no change in attitude both issued a negative overall attitude: “try to bargain too much” and “many [people] share one drink [instead of buying multiple ones]” H4, H7. The positive changes of this group stated arguments like: “[I] want to earn money off them, [that is] worth ignoring the bad habits” (H2), “the Chinese now buy more, I got used to them” (H5).

For the group with very low economic benefits, things are very different. As expected, the economic incentives and the contact seem to be not as strong and out of the six vendors in this group, two did actually respond that a positive change had occurred. One of them also states “I got used to them”, but got limited right away by adding “a little bit” (L2). The other vendor expressed: “[I] learned to ignore them” (L4), which also can be seen as a less positive viewpoint than that of the others out of the large benefit group. All the other vendors of the low benefit group said there had been no changes at all, but one. This one vendor was very explicit and actually claimed that his views had changed negatively: “I now think that they [the Chinese] are even worse. Earlier, I thought they were ok, [but] now I know they are really terrible and extreme” (L6). While the economic transactions seem to play a role in the attitudes of some of the respondents from the large benefit group, the lack of economic transactions in the low benefit group fails to mitigate the generally bad view of Chinese

tourists and the positive effect which can be observed in the large benefit group are missing here.

So what do we expect from the medium benefit group then? – Probably a mixture of both the large and the low economic benefit groups. The findings suggest this result and are a little bit more indifferent than those of the other two groups. While five of the vendors had changed their attitudes positively, three claimed to have not changed their attitudes. We see positive changes: “They are better than before. Earlier, they would eat one [food item] with five people, now it is only one for two people” (M8), “[The] tourguides now give them better information than before [on their behavior]” (M3) or “I am more used to them now. Before, their level of education [from the tourguides] wasn’t as good” (M4).

Altogether, the change of attitudes seems to confirm the expectations. In the large and medium benefit group, more vendors have expressed moderate views than in the other group and we see a clear difference between the attitudes of vendors with different amounts of business transactions.

Attitudes on Cross-Strait Economic Integration

On the issue of cross-Strait economic integration, things are more complicated. While there is a tendency toward a positive evaluation of cross-Strait issues, all of the economic benefit group’s respondents are distributed very similar and there does not seem to be a large difference. Notably, there is no one in the low benefit group, who issues a negative view. Only in the medium and large benefit groups do people disagree with the opening of Taiwan and those views also do not completely reject the ECFA policies, but rather opt for slowing it down (M3, M4, H2). Apparently, most people agree that those policies are necessary and sometimes even think they are inevitable: “It is good for the economy and if the time comes, it just has to happen” (H6).

Taking the influence of different amounts of business transactions into account it becomes obvious that the vendors do not seem to make any connection between this issue and their personal situation. Apparently, the connection of cross-Strait economic integration

and increased numbers of tourists is not important for the vendors here. Positive statements like “the economy is now better than it was before” (M8), “It is good for the economy and if the time comes, it just has to happen” (H6), “there’s good and bad things about is, but for the Taiwanese economy it is good” (M5) can be found in all of the benefit groups.

Alienation of Taiwanese People From the PRC

When asked about the attitude of the Chinese government toward Taiwanese people, most vendors take a moderate viewpoint and see the intentions of China as neither good nor bad. Many vendors also thought it was hard to assess the questions or didn’t have an answer to it. Of those, who answered the question, most of the positive evaluations came from the large benefit group, while the medium group took a very moderate stance again. Looking at the low benefit group, we see a small tendency toward a negative perception of the Chinese attitudes towards Taiwan. Interestingly, the large benefit group did not offer many justifications or arguments for their viewpoint, while the medium and low benefit groups seemed to feel more obliged to explain themselves.

Out of fourteen valid answers, only six vendors gave reasons for their decision. Positive arguments included: “there are advantages [for Taiwan]” (L3), “they are better to us now than before in economic terms” (M4), “For politics their attitude is not good, but the economic policies are good” (M5), and “only business matters. Businessman don’t belong to any country” (M8). More negative statements mentioned: “I feel they are hostile. They think Taiwan belongs to them” (L2) and “They want to change us and take over Taiwan. [They] think Taiwan is very poor and everything here should be cheap as well. [...] But they might change later, when they have better education.” (M6).

Table 5 – Alienation from Mainland China

	Positive view	Moderate/ Indifferent view	Negative view	No answer
Large Benefit Group	2	4	0	1
Medium Benefit Group	1	4	1	2
Low Benefit Group	0	2	2	2
Total	3	6	3	5

The overall tendency suggests that there exist a similar case as with the attitudes toward the Chinese tourists. The low benefit group has the least favorable opinion on this issue, and the large benefit group has the most moderate, if not positive. Surprising, however, is that the opinions on this political issue give us more reason to believe that there is a correlation between the alienation and the amount of economic transactions than between those transactions and cross-Straits economic integration.

4.4 Pragmatism and Habituation

Like briefly mentioned during the respective sections, some of the answers about the different levels of attitudes were justified mainly by pragmatic arguments and other arguments included habitual motivation, which suggested that vendors have gotten accustomed with vendors. To further address the issues of the independent variable of business transactions with Chinese tourists and to try to differentiate the impact of economic incentives and contact on this variable, it is useful to look at these motivations more thoroughly and find out if those attitudes are in fact influenced by rational incentives or if the contact with Chinese people also has to be added as an important variable. The categorization of the answers according to those two kinds of arguments, therefore, can help us to answer the question which factor really affects the results reported here and which one does not.

When looking for pragmatic or economic reasoning in the attitudes about the Chinese tourists, we find a clear tendency. While the large benefit group mainly justifies their attitudes of the mainlanders by pragmatic arguments, the low benefit group does not rely on this kind of reasoning. Many vendors of the high benefit group rely on arguments like “many buy only one piece and share it with a group of people” (H5) or “the Chinese bargain too much” (H3) to underscore their more moderate views, but other also use those economic viewpoints to justify their bad opinions: “[they are] only old people without much money. The people, who really spend money, go elsewhere. They also don’t spend enough time here.” (H1). Therefore we have reasons to assume that these vendors are very much influenced by the economic side of the arguments. Although we find a couple of vendors with bad attitudes, this does not seem to be particularly influenced by contacts because pragmatic arguments prevail. This becomes even more evident, when we look at the change of attitudes. Vendors, which argue that their opinion has changes positively, argue that they have gotten used to the Chinese. This at first can be seen as an influence of contact, in which the vendors get accustomed to the mainlanders. But, when looking at the reasons many give for this development, we see arguments like “I want to earn money off them, [therefore] it is worth ignoring the bad habits” (H2) or “my attitude got a little better, [because] the [Chinese] customers now buy more” (H5) which, again, hint at a pragmatist influence even in the context of those habitual arguments.

On the question of cross-Strait economic integration, we have seen that the arguments given are a bit different and, instead, appear to be motivated by pragmatism only and we cannot find any affective or habitual arguments in those responses. The analysis also suggests that the vendors do not really make the connection between their business situation and the issue of cross-Strait economic integration. Neither contact nor economic incentives appear to largely influence this attitude.

For the alienation of Taiwanese people from China we, in turn, can see an overall trend, when taking the economic transaction categories into our considerations and corresponding to this, we find both pragmatic and habitual arguments in the answers of the vendors. Therefore, it is interesting to note that we find neither affective nor pragmatic

answers given by the large benefit group. It is only among the medium and low benefit groups that we can observe justifications of any kind for the responses given. Of those, who did give reasons, however, there was a tendency to see their attitudes on the PRC to have changed positively during the last years. And the arguments given for this development were almost all very pragmatic: “The political side is not good, but the economic side is [now] very good.” (M5), “Now it is better than earlier, but not on the political side. (M4), “There’s good and there’s bad. The economy belongs to the good.” (L6).

The answers for the attitudes about Chinese tourists and the alienation from the PRC give us reasons to believe that many of the more moderate or positive attitudes are influenced by pragmatic motivation and, therefore, by economic incentives. We can find many pragmatist arguments in the positive accounts and even some in the negative attitudes. When we look at the changes in attitudes, this is even clearer as most of the positive changes are caused by economic reasons. But we also find one memorable exception with a negative change in attitude, which might be interesting for us. While positive changes in this case are apparently caused by economic reasons, the vendor with the negative account argues: “I now think that they [the Chinese] are even worse. Earlier, I thought they were ok, [but] now I know they are really terrible and extreme” (L6). This account clearly suggests an habitual background and that the reasons for this might be the contact with Chinese tourists, which actually had a negative effect for the vendor.

When classifying all of the opinions given by the different vendors on the attitudes in terms of pragmatist and habitual arguments and comparing them to the economic benefit groups, we find that there is a great overlap (See table 2). This is especially visible for the large benefit group. All of the vendors in this group have used several pragmatic arguments in their responses and are significantly more pragmatic than the other two groups. There are comparatively only very few habitual reasons given by this group. This suggests that the large benefit group is thinking significantly more pragmatic than the low benefit group, which offers a lot more habitual arguments and fewer pragmatic considerations.

This tendency for the high benefit group cannot prove that there is no influence of contact on the vendor’s attitudes. In reality, we see quite some habitual arguments in the

large benefit group, which do suggest a subtle positive influence of contact on the attitudes. But, the increased usage of pragmatic arguments in describing their attitudes does give us a hint that economic incentives are very important. If we see this development of the influence on the positive attitudes or attitude changes, that, however, does not mean that there are no cases with negative influence. As has been shown above, we can find one vendor issuing a negative change in attitude toward Chinese tourists. This attitude is underscored by a very habitual argument, which gives us reasons to think that it is influenced by contact although the vendors comes from the low benefit group. Apparently, for this vendor, the contact with Chinese people has strengthened his aversion against the mainland tourists and while we suppose his identity has not changed, the influence of contact in this is possible.

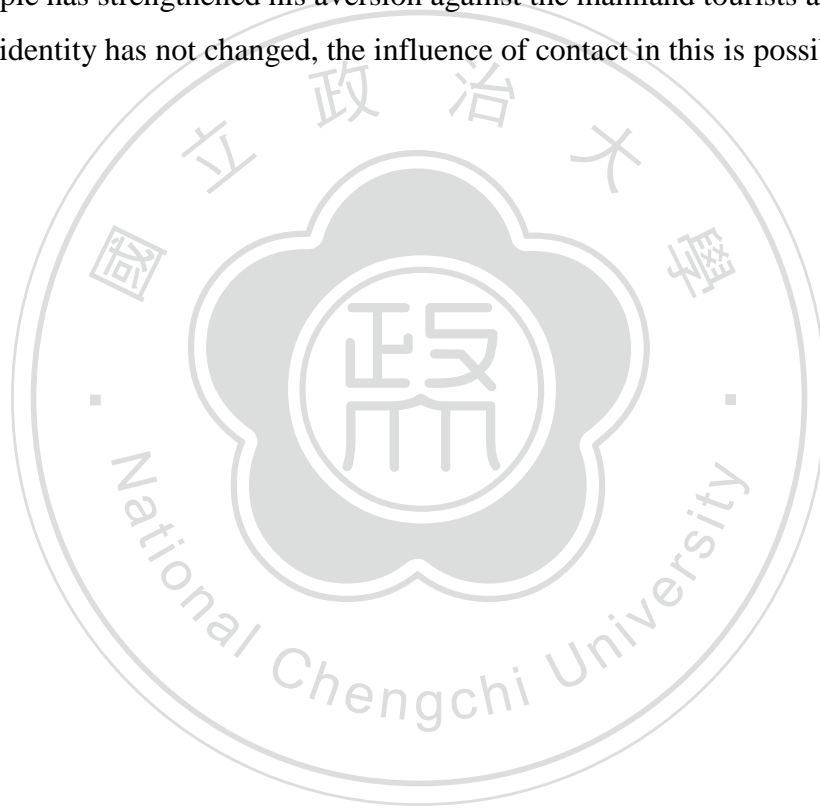


Table 6 – Pragmatist and Habitual Arguments Used by the Vendors³

ID No	Economic Benefit Group	Pragmatic arguments	Habitual arguments	Tendency
L1	Low	1	1	no clear tendency
L2	Low	0	3	Habitual
L3	Low	0	2	Habitual
L4	Low	1	1	no clear tendency
L5	Low	1	1	no clear tendency
L6	Low	2	2	no clear tendency
M1	Medium	1	0	no clear tendency
M2	Medium	1	1	no clear tendency
M3	Medium	2	1	no clear tendency
M4	Medium	1	2	no clear tendency
M5	Medium	3	1	Pragmatist
M6	Medium	2	4	Habitual
M7	Medium	0	0	no clear tendency
M8	Medium	6	1	Pragmatist
H1	High	3	1	Pragmatist
H2	High	2	1	no clear tendency
H3	High	3	0	Pragmatist
H4	High	3	1	Pragmatist
H5	High	3	0	Pragmatist
H6	High	4	1	Pragmatist
H7	High	4	1	Pragmatist
H8	High	3	0	Pragmatist

³ Vendors have been classified as having a tendency toward either direction, if they have issued at least two more arguments of the either pragmatic or habitual kind. All others have been classified as having “no clear tendency”.

4.5 Self-Assessment of Influence of Mainland Tourists on Policy Attitudes

At last, the vendors were asked whether the presence of Chinese tourists would influence their attitudes toward China. A large majority of the vendors denied any influence of the presence of mainland tourists on their own attitudes and beliefs. Only four of the respondents said they have been influenced and only one saw a possibility for this to happen in the future. Among those four interviewees, three did say that they have been influenced to take a more favorable stance toward Mainland China in their attitudes and opinions and one claimed to have been influenced negatively.

The negative response here is clearly motivated by habitual reasons. The interviewee said: “[I have] become more pro-independence [, because] Chinese people are very different” (H2) and claimed that her feelings toward Chinese have been influenced by their behavior and bad manners. This argumentation is interesting, because this was a vendor with one of the largest economic incentives. Apparently, for this vendor, contact with Chinese people was indeed important and even caused the owner of a very successful Taiwanese delicacy restaurant to change her attitudes toward a more pro-independence stance. Although she also said that it “is worth to get used to their bad habits” and she “wants to earn money off them” this apparently did not cause a positive reaction toward the people, who bring the economic incentives with them.

For the positive changes, we can observe something differently. Those changes were more often caused by incentives. Interviewee’s attitudes toward Chinese people also did not seem to be very good. But unlike the other vendor, they said that the business transactions caused them to change their mind. While they readily admitted that it would “influence the short term views, not so much the long term views” (No 1) and the influence was not very large (M3), they were more pragmatic and one of the vendors put it easily like this: “business is very important” (M8). Although one of them claimed to support the green party (DPP) and was classified as having a very Taiwanese identity, he said that he was more realistic now about the situation (M3) and another also pointed out he had become more moderate now

(M8). Needless to say, all of those three vendors with a change toward a more positive view claimed to also have at least some amount of economic transactions and benefits from the Chinese and did not belong to the low benefit group.

Looking into this evaluation of the vendors, we can see that their self-assessment and the results we have got from analyzing their attitudes differ in some way. The results on attitudes toward Chinese tourists and on the alienation from the PRC seems very much too be influenced by the transactions with mainland tourists and we also have observed that many vendors with high economic benefits from the tourists do argue a lot more pragmatic than the other two groups. The vendors themselves seem to think this influence is not as big and the fact that only four out of 22 vendors said that they had changed their views supports this.

The neglecting of the influence of Chinese tourists on their attitudes is interesting. An explanation for this might be a tendency for the vendors to underestimate this influence of either economic incentives or contact for themselves. As our results showed, the vendors seemed to have changed their views for some of the attitudes and the reasons they gave for this were mainly pragmatic. Therefore, the explanation that vendors did not want to admit they had changed or didn't even realize this for themselves comes to mind and seems applicable.

The arguments, which the four vendors gave for their changes caused, at least support this view. Of the four vendors, which did change their attitudes because of economic incentives, we could observe all three positive changes to be influenced by pragmatism, while the negative change gives us reason to think the cause was contact. According to the theoretical framework those results make sense. The economic incentives change the attitudes positively and the contact has less influence and sometimes tends to a negative effect.

4.6 Summary of the Findings

As has been discussed in the sections above, the interviews give us evidence for some of the assumptions of this thesis. At first, all of the vendors have observed a large increase in mainland Chinese tourism over the last years. This is important because it is a precondition for my assumption that there has been an increase of economic incentives of those tourists as well. The fact that this upturn has been noted and seems to be very obvious helps to verify the data given on the growth by the night market and confirms that there has been a huge change in the customer composition.

Next, the vendors of the night market have been grouped according to their own assessments of economic transactions with Chinese tourists. Three groups with low, medium and large economic benefit have been identified. The correlation of this categorization with other outside factors like the kind of business and the location is also notable and shows that this categorization is applicable. If a vendor owns a stall or a large restaurant and the kind of business, in which he operates, can explain the categorization of many of the vendors, if not all of them.

The future prospects for economic benefits generated by Chinese tourists also give further confirmation to this classification. Most of the interviewed vendors seemed to expect about the same share of tourists as in the present and only very few expect customer behavior to change significantly. While the researcher primarily expected positive effects of an increase of Chinese tourists on the night market, the vendors themselves did not only issue positive expectations. Some actually expected a negative impact of the Chinese tourists on their business, because the increase of tourists would harm their local customer base. The bad image of Chinese tourists would, in their views, affect the locals, who would not go to the night market and visit other places instead. Since the main share of customers for almost all of the vendors is still made up by those local Taiwanese people, the economic benefits that the Chinese tourists bring with them would maybe rather do harm than good and affect the overall business of some of the vendors negatively.

Using this categorization by economic transactions of the vendors, we then turned to the attitudes and opinions. The first of the questions on the dependent variables clearly shows that the image of Chinese tourists among the Taiwanese night market vendors is not very favorable. There were almost no positive responses about the Chinese tourists and a widespread animosity toward the tourists seemed to be very common. Taking our independent variable of the level of business transactions into account, we then find that all of the positive or more moderate responses were issued by vendors belonging to either the large or the medium benefit group. This suggests that the view of the tourists and economic transactions are correlated in some kind of way. Looking further into the answers, we then also find that negative accounts could be found in all of the three benefit groups, while all the more moderate and positive accounts were present in the large and medium benefit groups with the respective economic incentives and contact. Therefore, this result suggests, as we would have expected, that economic transactions show some kind of correlation with the attitude about Chinese tourists. The reasoning behind moderate responses often was pragmatic, while the negative responses often contained some kind of affective or habitual arguments, which suggests a large role for economic incentives on this issue.

When looking at the change in those attitudes, we find even stronger arguments for this: More people changed their attitudes toward mainland Chinese tourists positively in the large benefit group. These positive changes were also underscored by pragmatic arguments. In contrast, the low benefit group used mostly habitual reasoning and also had a stronger tendency to not change their attitudes or to change it negatively. These results show clearly that the attitudes about Chinese tourists differ for vendors within different economic benefit groups. Positive attitudes and attitude changes have been described mainly pragmatic and, therefore, it might be suggested that those are also motivated by economic reasoning. For other vendors things were quite differently. The lack of economic incentives seems to leave vendors with a more negative view of Chinese customers. We also see a slight increase in habitual arguments in those vendors' answers.

For the other China related issues we cannot observe a tendency, which is as clear as for the attitudes on the tourists. On the issue of cross-Strait economic integration, there

seemed to be general tendency toward a positive evaluation of ECFA and the related policies. Negative and positive responses did not show any distinct correlation to the economic benefits. Somewhat in contrast to the mainly negative responses about tourists, the vendors saw cross-Straits economic integration very positive. All of the arguments given by the vendors on this question were pragmatic and used better economic conditions as a main argument for their positive views.

The results for the alienation from Mainland China also weren't as clear as for the attitudes toward tourists. But in contrast to the question on cross-Straits economic integration, there is also a clear tendency to observe when looking at the results compared with the economic benefit groups. This tendency matches the one we would have expected and more positive views can be found among the high benefit group and more negative views among the low benefit group. In this issue we also see both pragmatic and habitual reasons given by the respondents. However, there exists a notable difference in the answers between the benefit groups. While the large benefit group did not feel like they had to explain their standpoint on this question, the groups with lower economic benefits more frequently justified themselves.

The motivation and arguments of the vendors and the evaluation of their pragmatist and habitual arguments then suggests that the positive responses and positive changes in this study have been dominated by pragmatist arguments. For the attitudes about tourists, the opinion on cross-Straits economic integration and the effect of economic incentives on the attitudes and opinion toward China, the results show that pragmatist arguments can account for all the positive answers with one exception given by the vendors. The negative responses, in turn, are more often motivated by habitual reasons. Interestingly, some vendors also give pragmatist reasons for their negative views, which might be caused by the fact that Taiwanese people sometimes are driven away from the night market by the presence of the Chinese tourists.

At last, the question on the effect of Chinese tourists on attitudes and opinions gives us the self-assessment of vendors and own their opinion on the correlation of attitudes, opinions and economic benefit. Most vendors simply did not think that there had been any

changes in their attitudes and opinion toward China. This is interesting because this neglecting of influence when asked directly does not correspond to our findings especially when considering the results of the changes in attitude about the Chinese tourists. While many people admitted they had changed their opinion about Chinese tourists and many even argued pragmatically during the questions on the attitudes, they did not see this as being motivated by the presence of the tourists on the night market. Also, all of the few vendors, who actually admitted to having changed in the context of increased business with tourists positively, actually did give very pragmatic reasons for their change in attitude, while the only negative change was expressed in an habitual argument. This somehow suggests that changes occur positively by economic incentives and sometimes negatively by contact, even if not everyone readily admits that he himself is being influenced by both forces.



5. Conclusion

The aim of this thesis is to assess the influence of Chinese tourists on the attitudes of night market vendors in Taipei. By analysis of qualitative interviews of 22 vendors of Ningxia Night Market, this study tried to understand and gain insights into the workings of rational incentives and contact on the vendor's views. The questions whether business transaction with Chinese have a positive influence on the night market vendors attitudes toward China (Hypothesis 1) and whether these attitudes are expressed in pragmatic terms and show economic reasoning (Hypothesis 2) have been addressed.

The literature review showed that usually two main variables (affective identity and rational incentives) influence the public opinion on China related issues in Taiwan. An evaluation of the current state of affairs in other scholars research highlighted this relationship between affective identity and rational incentives and has shown that those aspects differ in specific ways. Both affective identity and rational incentives play an important role in for the present study. Affective identity has a strong influence on the public opinion, but it is mainly formed through socialization and before adulthood. Although it is not unchangeable, it usually takes time for a person to alter his identity in a significant way. For the study on the night market, this variable has been designed to be as constant as possible.

To assess the other factor (rational incentives), this study has looked at the business transactions of Taiwanese night market vendors with Chinese tourists as the main independent variable. This independent variable includes the rational incentives, but in the present case, cannot completely be divided from another important factor: contact. This is caused by the fact, that business transactions include both incentives and contact, which empirically are hard to measure separately in the situation on the night market, but might affect the attitudes of the vendors differently. While an increase in business with tourists surely affects the incentives of vendors, it also creates contact situations for the vendors with those tourists during the business transactions on the night market. Therefore, the contact itself also might cause the attitudes to change.

As a contrast to the affective identity, the business transactions are more short-term oriented and therefore should affect the more issue based attitudes of the vendors as analyzed in this study. The study of Ningxia Night Market offered the possibility to study the material incentives of vendors and their contact with tourists in a specific environment. For the period of two to three years, the large increase of Chinese tourists has changed the business situation in a strong way. While this study assumes that the identity of vendors have not changed to a large degree, it has shown that incentives from and the contact with mainland tourists have changed very significantly. An increase of tourist number of about 300% in three years up to 2013 lead to a restructuring of the customer base from a situation, in which mainly local Taiwanese people enjoyed the market, to the present state, in which about 30% of the customers are Chinese tourists. This has not only been proved by data provided by Ningxia Night Market, but also by the perception of vendors themselves.

To study the influence of this development, different attitudes of vendors have been measured and analyzed. The main emphasis regarding these attitudes has been put on contentious issues with a short-term oriented background. Three areas have been investigated: Attitudes toward the Chinese tourists, cross-Strait economic integration, and the alienation from the PRC. According to a self-assessment and validated by objective factors like kind of business and location, vendors have been classified into three different groups with low, medium and large benefit from the Chinese tourists. The categorization of the vendors into groups has served the purpose to compare the different benefit group's attitudes and understand how these vendors explain their choice of attitudes.

While the thesis has shown that most of the vendors in this sample do not think that the Chinese tourists influence their attitudes, an analysis of the interviews has shown different results. We have reasons to believe that vendors with different levels of economic transactions with Chinese have different attitudes toward those tourists and are less alienated from the PRC. In both of these two sets of attitudes, vendors with larger benefit tend to have more positive views than vendors with medium or low benefits. This tendency is stronger for the attitudes toward Chinese tourists than for the alienation and becomes especially evident,

when looking at the change of the attitudes toward Chinese tourists in the last two to three years. While looking at the influence of the tourists, many scholars have suggested a mainly positive effect of incentives for the vendors. While the business transactions with tourists brings economic incentives with it, it also facilitates the short-term contact with those same tourists. In part, this can have a positive effect, but as this study has shown, can also have a negative effect on the vendor's attitudes.

While the study found positive effects of business transactions on the attitudes toward tourists and alienation issues, no such effect could be shown for attitudes toward cross-Strait economic integration. The general tendency among the vendors shows a favorable attitude toward the issue, but neither negative nor positive responses really were affected by economic incentives.

To further clarify the influence of business transactions, the answers of vendors have been analyzed qualitatively to assess both the influence of rational incentives and contact. It has been claimed that the reasons given by the night market vendors on most the positive attitude changes have been heavily influenced by pragmatic arguments. This would suggest a large effect of economic incentives. The few arguments, which suggest of a role for contact theory, have been found to have a positive and a negative effect on attitudes. Therefore, it is suggested that negative effects on China related attitudes might have been caused by identity, contact or even the incentives, while there is some evidence that, in the present framework, positive changes are largely influenced by incentives. Consequently, the thesis can give support to the prevailing view among other scholars, who suggest that rational incentives influence the view of the public on cross-Strait economic exchange and China positively, while "affective" reasons or a Taiwanese identity accounts for a more negative view of these issues, like suggested in Keng, Chen and Huang (2006). In the present framework, however, the vendors also raised the possibility of a small negative effect of incentives, which might be worth to consider in certain situations as well.

These findings come with all the limitations of a qualitative research design and the small sample size. While a correlation between business transactions and two of the attitude sets is suggested by our findings, further research is needed to confirm these results

and to clarify their robustness and validity. It might also be possible that the correlation between attitudes toward tourists or the alienation and the incentives in fact is not caused by the business transactions, but that, in turn, the vendors with the more positive attitudes are able to attract more customers. Although “common sense” and the arguments of our vendors suggest otherwise, this possibility still exists. The present study also cannot completely answer the question whether the influence of the business transactions is caused by rational incentives or by the contact with tourist. Although the pragmatic arguments of vendors suggest a larger role for incentives, the contact cannot be measured separately in the present framework and therefore the shown influence of business transactions might be affected by both of the forces. To summarize, it would be premature to claim the results of the present study as being very strong. What this thesis can do, however, is to point out some of the interesting connections between the variables and to raise questions for further research on this topic. We can also attempt to provide an outlook and, given the assumption that the research findings are correct, point out areas or issues of potential conflict.

If we do this, we can, first and foremost, assume that the very different economic incentives and contact with Chinese tourists for different night market vendors can lead to a division of vendors into two or more groups. The interests and needs of vendors with large economic benefits and low economic benefit from Chinese tourists are very different. For the large benefit group, any increase in tourists is supposed to be a favorable scenario because this also means an increase in customers. This is different for the low benefit group, which in some cases might even see a decrease in customers and contact with those. At least this is true, if we believe the opinion of the vendors, who believe less Taiwanese are coming to the market as a result of this increase. This may cause serious problems for the structure of the market and can lead to opposing views on the administration. If the attitudes of vendors change as well, there might even be a more serious development of this problem. If the beneficiaries of the business with Chinese tourists take a more favorable or moderate view and the low and/ or medium groups do not in the same way, this causes a further division in the political arena. If only the people, who benefit from the business with China, change their attitudes then the cleavage along the issue of national identity might be joined by an economic cleavage along very similar conflict lines and further facilitate contrasting and

maybe even extreme political views. A similar development has already been suggested by Kevin Tse Wai Wong (2010) for the Taiwanese society as a whole and might be facilitated with further steps toward cross-Strait economic integration.



6. References

English language:

- Allport, G. W. (1954). *The Nature of Prejudice*. Cambridge, MA: Perseus Books.
- Armstrong, S. (2010). *Taiwan's Asia Pacific Economic Strategies Post-Economic Framework Agreement*. East Asia Bureau of Economic Research Working Paper, (63).
- Barlow, F. K., Paolini, S., Pedersen, A., Hornsey, M. J., Radke, H. R., Harwood, J., ... & Sibley, C. G. (2012). The Contact Caveat: Negative Contact Predicts Increased Prejudice More Than Positive Contact Predicts Reduced Prejudice. *Personality and Social Psychology Bulletin*.
- Brown, R., & Hewstone, M. (2005). An Integrative Theory of Intergroup Contact. *Advances in Experimental Social Psychology*, 37, 255-343.
- Chan, R. (2012, 08 09). *Taiwan Expands Mainland China Tourism Program*. Retrieved from <http://taiwantoday.tw/ct.asp?xItem=194572&ctNode=413>
- Chappell Jr, H. W., & Keech, W. R. (1985). A New View of Political Accountability for Economic Performance. *The American political science review*, 10-27.
- Chen, W. From ECFA, Taiwan is Extending Its Trade Horizon to the Globe. Editorial Statement, 10.
- Conover, P. J., Feldman, S., & Knight, K. (1987). The Personal and Political Underpinnings of Economic Forecasts. *American Journal of Political Science*, 559-583.
- Downs, A. (1957). An Economic Theory of Political Action in a Democracy. *The Journal of Political Economy*, 135-150.
- Edelman, M. (1985). *The Symbolic Uses of Politics*. University of Illinois Press.
- Election Study Center NCCU (2013). Trends in core political attitudes among taiwanese. Retrieved from website: <http://esc.nccu.edu.tw/english/modules/tinyd2/index.php?id=6>
- Funk, C. L. (2000). The Dual Influence of Self-interest and Societal Interest in Public Opinion. *Political Research Quarterly*, 53(1), 37-62.
- Gries, P. H., & Su, J. (2013). Taiwanese Views of China and the World: Party Identification, Ethnicity, and Cross–Strait Relations. *Japanese Journal of Political Science*, 14(01), 73-96.
- Hardin, Russell. 1995. "Self-Interest, Group Identity." In *Nationalism and Rationality*, eds. Albert Breton, Gianluigi Galeotti, and Ronald Wintrobe. Cambridge and New

York:
Cambridge University Press.

- Ho, S. Y., & Leng, T. K. (2004). Accounting for Taiwan's Economic Policy Toward China. *Journal of Contemporary China*, 13(41), 733-746.
- Hong, T. L. (2011). ECFA: A Pending Trade Agreement? Also a Comparison to CEPA (pp. 2-8). Discussion paper, 6/9.
- Hsieh, J. F. S. (2005). Ethnicity, National Identity, and Domestic Politics in Taiwan. *Journal of Asian and African Studies*, 40(1-2), 13-28.
- Keng, S., Chen, L. H., & Huang, K. B. (2006). Sense, Sensitivity, and Sophistication in Shaping the Future of Cross-Strait Relations. *Issues and Studies* (English Edition), 42(4), 23.
- Lau, R. R., & Heldman, C. (2009). Self-Interest, Symbolic Attitudes, and Support for Public Policy: A Multilevel Analysis. *Political Psychology*, 30(4), 513-537.
- Mainland Affairs Council, (2012). Public Opinion on Cross-Strait Relations in the Republic of China(statistic charts)(2012.3). Retrieved from website: <http://www.mac.gov.tw/ct.asp?xItem=101890&ctNode=7287&mp=3>
- Mainland Affairs Council, (2013A). Number of Mainland China Tourists to Taiwan. Retrieved from 兩岸經濟統計月報 239 期 website: <http://www.mac.gov.tw/public/Attachment/331510265325.pdf>
- Mainland Affairs Council, (2013B). *Summarized results of the public opinion survey on 'public views on current cross-strait relations'*. Retrieved from website: <http://www.mac.gov.tw/public/Attachment/342917355459.pdf>
- Mansbridge, J. J. (Ed.). (1990). *Beyond Self-interest*. University of Chicago Press.
- Mayda, A. M., & Rodrik, D. (2005). Why Are Some People (and Countries) More Protectionist Than Others?. *European Economic Review*, 49(6), 1393-1430.
- Ministry of Transportation and Communication, Tourism Bureau. (2011). 2011 Annual Survey Report on Visitors Expenditure and Trends in Taiwan. Retrieved from website: http://admin.taiwan.net.tw/statistics/market_en.aspx?no=16
- Monroe, K. R., & Downs, A. (1991). *The Economic Approach to Politics: A Critical Reassessment of the Theory of Rational Action*. Longman.
- Org, E. C. F. A. (2010). ECFA's Win-Win-Win: Taiwan, Mainland China and Global Trading Partners.
- Page, B. I., & Shapiro, R. Y. (1983). Effects of Public Opinion on Policy. *The American Political Science Review*, 175-190.

- Paolini, S., Harwood, J., & Rubin, M. (2010). Negative Intergroup Contact Makes Group Memberships Salient: Explaining Why Intergroup Conflict Endures. *Personality and Social Psychology Bulletin*, 36(12), 1723-1738.
- Pettigrew, T. F. (1998). Intergroup Contact Theory. *Annual review of psychology*, 49(1), 65-85.
- Pettigrew, T. F., & Tropp, L. R. (2008). How Does Intergroup Contact Reduce Prejudice? Meta-analytic Tests of Three Mediators. *European Journal of Social Psychology*, 38(6), 922-934.
- Rosen, D. H., & Wang, Z. (2010). Deepening China-Taiwan Relations through the Economic Cooperation Framework Agreement (No. PB10-16). Peterson Institute for International Economics.
- Sears, D. O., & Funk, C. L. (1990). The Limited Effect of Economic Self-interest on the Political Attitudes of the Mass Public. *Journal of Behavioral Economics*, 19(3), 247-271.
- Sears, D. O., & Funk, C. L. (1991). The Role of Self-interest in Social and Political Attitudes. *Advances in experimental social psychology*, 24(1), 1-91.
- Sheng, E. C. (2002). Cross-Strait Relations and Public Opinion on Taiwan. *Issues & Studies*, 38(1), 17-46.
- Sobel, R., Haynes, W. A., & Zheng, Y. (2010). The Polls—Trends Taiwan Public Opinion Trends, 1992–2008: Exploring Attitudes On Cross-Strait Issues. *Public Opinion Quarterly*, 74(4), 782-813.
- Su, Y.-y., & Pan, J. (2012, 10 14). Taiwan's FTA Drive Failing. Retrieved January 13, 2012, from [taipeitimes.com: http://www.taipeitimes.com/News/taiwan/archives/2012/10/14/2003545158](http://www.taipeitimes.com/News/taiwan/archives/2012/10/14/2003545158).
- Wong, K. T. W. (2010). The Emergence of Class Cleavage in Taiwan in the Twenty-First Century: The Impact of Cross-Strait Economic Integration. *Issues & Studies*, 46(2), 127-172.
- Wu, Y. S. (2005). Taiwan's Domestic Politics and Cross-Strait Relations. *The China Journal*, (53), 35-60.

Chinese language:

- Chen, L.H., Keng, S., Wang, T.Y. (2009). 〈兩岸關係與 2008 年台灣總統大選：認同、利益、威脅與選民投票取向〉 [Taiwan's 2008 Presidential Election and Its Implications on Cross-Strait Relations: The Effects of Taiwanese Identity, Trade Interests and Military Threats], 《選舉研究》 [Journal of Elections Studies] 7, 2:29-52.

- Chen, L.H., Keng, S., Tu, P.L., Huang, K.B. (2009). 〈理性自利或感性認同？影響台灣民眾兩岸經貿立場因素的分析〉 [Interest-Driven or Identity-Based? An Analysis of Taiwanese People's Positions on Cross-Strait Economic Exchanges], 《東吳政治學報》 [Soochow Political Bulletin] 27,2:87-125.
- Keng, S., Chen, L.H. (2003). 〈兩岸經貿互動與台灣政治版圖：南北區塊差異的推手？〉 [Taiwan's Regional Blocs – Cross-Strait Economic Integration and the Political Landscape of Taiwan], 《問題與研究》 [Issues and Studies] 42,6:1-2.
- Keng, S. (2009). 〈經濟扭轉政治？中共「惠台政策」的政治影響〉 [Limitations on China's Economic Statecraft: China's Favor-Granting Policies and Their Political Implications], 《問題與研究》 [Issues and Studies] 48,3:1-32.
- Keng, S., Liu, J.W., Chen, L.H. (2009). 〈打破維持現狀的迷思：台灣民眾統獨抉擇中理念與務實的兩難〉 [Between Principle and Pragmatism: The Unification-Independence Choice of the Taiwanese People], 《台灣政治學刊》 [Taiwanese Political Science Review] 13,2:3-56.
- Keng, S., Tseng, J.Y.C. (2010). 〈中共邀訪台灣青年政策的政治影響〉 [The Political Implications of Cross-Strait Youth Contacts: Student Visits as China's Policy to Promote Unification], 《問題與研究》 [Issues and Studies] 49,3:29-70.
- Lin, D.G. (2013, June 7th). Personal interview.
- Liu, J.W., Keng, S., Chen, L.H. (2009). 〈務實也是一種選擇——台灣民眾統獨立場的測量與商榷〉 [Pragmatic or Idealistic? Measuring the Unification-Independence Choice of the Taiwanese People], 《台灣民主季刊》 [Taiwan Journal of Democracy] 6,4:141-169.
- Wu, N.D. (1992). 〈國家認同和政黨支持：台灣政黨競爭的社會基礎〉 [Party Support and National Identities: Social Cleavages and Party Competition in Taiwan], 《中央研究院民族學研究所集刊》 [Bulletin of the Institute of Ethnology, Academia Sinica], 74, 33-61.
- Wu, N.D. (1993). 《省籍意識, 政治支持和國家認同. 族群關係與國家認同》 [Indigenous Consciousness – Political Support and National Identity. Group Relations and National Identity], Taipei: 業強出版社 [Ye Jiang Publishing].
- Wu, N.D. (2005). 〈麵包與愛情：初探台灣民眾民族認同的變動〉 [Romance and Bread: A preliminary Study of the Identity Change in Taiwan], 《台灣政治學刊》 [Taiwanese Political Science Review] 9,2:5-39.

Wu, Y.S. (1997). 「抗衡或扈從：面對強鄰時的策略抉擇（上）」 [The Choice of Strategy Toward One's Strong Neighbor: Balancing or Bandwagoning, Part I] 《問題與研究》 (Issues and Studies) 36:2: 1-32.

Zhang, Y.C., Pan, B.X. (2013). 《寧夏夜市 All Yes ! 》 [Ningxia Night Market – All Yes!], Taipei: 旗林文化 [Qilin Culture].



7. Appendix

7.1 Questionnaire⁴

General information:

[Filled by the researcher]

ID 號碼:

日記:

時間:

性別:

Which kind of business/ vendor:

Q1 /Age:

請問您是民國那一年出生的？

1. 20 歲-29 歲、2. 30 歲-39 歲、3. 40 歲-49 歲、4. 50 歲-59 歲、5. 60 歲及以上

Q2 /Education:

請問您的最高學歷是什麼？

1. 國教程度（合併不識字及未入學、小學、國、初中）、
2. 中學程度（合併高中、職）、
3. 大學及以上（合併專科、大學、研究所及以上）

Q3 / Employment Situation

請問您是本店的員工還是老闆？

Economic Incentives:

Q4 / Increase in Tourists

請問您最近兩三年有沒有發現在寧夏夜市的中國大陸觀光客變多了？

Q5 / Economic Benefit

您自己會不會因為陸客變多而賺比較多的錢？

Q6 / Situation without Tourists

如果政府完全禁止大陸人民來台觀光，請問您認為您個人的經濟情況會變得怎樣？

⁴ Note: The interviews have been conducted as qualitative research. Therefore, not all of the interviews followed the exact same pattern and questions might have been asked slightly different during the interviews for some vendors. All vendors have, however, been asked all of the following questions and been asked to elaborate on the topic as much as needed and/ or possible.

Q7 / Future Benefit

您覺得未來這個情況會改變嗎？

*Attitudes Toward China**Image of Tourists:***Q8 / Tourist image**

你對日本的遊客感受如何？

你對中國的遊客感受如何？

你對西方的遊客感受如何？

Q9 / Change over time

這個態度最近兩三年有改變了嗎？

*Cross-Strait Economic Integration***Q10 / Cross Strait Economic Integration**

請問您認為政府對兩岸經貿交流的政策，應該比現在更加開放還是應該加強管制？

Q11 – Pace of CSEC

您覺得現在對兩岸經貿交流的政策的过程怎麼樣？太快，太慢，現在 ok？

*Attitudes of PRC toward Taiwanese people:***Q11 / Attitudes toward the Chinese government**

請問您認為中國大陸對台灣人民友善及不友善的程度怎麼樣？

*Affective Identity:***Q12 / Group Identity 族群認同**

請問您的父親是本省客家人、本省閩南/河洛人、大陸各省市人，還是原住民？

1. 本省籍（合併本省客家人、本省閩南人）、2. 大陸各省市

Q13 / Personal Identity 身分認同

在我們社會上，有人說自己是台灣人，也有人說自己是中國人，也有人說都是。請問您認為自己是台灣人、中國人，或都是？

1. 台灣人、2. 都是、3. 中國人

Q14 / Political Identity 政黨認同

在國民黨、民進黨、新黨、親民黨跟台聯黨這五個政黨中，請問您認為您比較支持哪一個政黨？

1. 泛藍（合併國民黨、新黨、親民黨）、

2. 無政黨認同（合併都不偏、看情形）、

3. 泛綠（合併民進黨、台聯）

Self-Assessment of the Influence of Chinese tourists on Attitudes

Q15 / Influence of Tourists on Attitudes

您覺得在寧夏夜市看很多中國大陸人，跟很多中國大陸人溝通做生意，會不會影響到你對中國大陸的態度？

