

# Taiwan: democracy's gone awry?

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*In March 2000 when Chen Shui-bian was elected president his supporters were elated and optimistic about Taiwan having truly attained democracy. Many scholars also saw the event as significant, marking the consolidation of Taiwan's democratization effort. Soon, however, many became disappointed. Cynicism grew. Opinion polls showed declining support for the President, the legislature, political parties and politics in general. Even democracy was questioned. The causes for this were: (1) Taiwan's mixed political system, which was not ready for the opposition to become the ruling party; (2) Taiwan's style of democracy was copied from America's, in some way wrongly. This made it a system that did not fit an Asian country and allowed for ethnic politics and some other undesirable aspects of democracy to evolve; (3) the Chen Administration ignored the importance of economic development. When the economy deteriorated he sought other ways to remain in power; this further led to a deterioration of politics and hurt the image of the government.*

On the evening of 18 March 2000, supporters of the opposition Democratic Progressive Party's (DPP) candidate, Chen Shui-bian, rejoiced at the news that Chen had won the presidency and that the Nationalist Party or Kuomintang's (KMT) nominee, Lien Chan, was defeated, along with James Soong, running as an independent, and two other candidates. Many observers, including a host of scholars, saw this as a defining, if not watershed, moment. It ended the KMT's 55 years of rule in Taiwan (the longest of any political party in East Asia). It marked the 'consolidation' of the country's democracy (defined by most scholars as a transfer of political power to an opposition party).<sup>1</sup>

Many in Taiwan and elsewhere had long anticipated the event. In retrospect it was seen as a natural consequence of Taiwan's political modernization. Adding to the finality of it, some compared what had occurred to similar events in other developing countries and spoke loudly and enthusiastically of it as a kind of historical process.<sup>2</sup> DPP leaders spoke of a 'new era' in Taiwan and even of the election as being a 'revolutionary event'. They celebrated, noted one observer, as if the event constituted an 'end of history'.

It was not long, however, before elation and optimism turned to disappointment, disillusionment and frustration. Much more important than this, doubts were frequently heard as to whether democracy was a good thing. Some even suggested

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1. For details on the election, see John F. Copper, *Taiwan's 2000 Presidential and Vice Presidential Election: Consolidating Democracy and Creating a New Era of Politics* (Baltimore: University of Maryland School of Law, 2000).

2. See Dorothy J. Solinger, 'Ending one-party dominance: Korea, Taiwan, Mexico', *Journal of Democracy* 12(1), (January 2001), pp. 30–42.

that Taiwan's democratic polity might or should be discarded. Patently most of Taiwan's citizens were less sanguine and many regularly expressed reservations about the political system and the evolution of Taiwan's politics, many saying that the 2000 election was a mistake and/or that Taiwan had democratized too quickly. Favorable opinion declined about the new President, the legislature and political parties.<sup>3</sup> Cynicism became prevalent. Many citizens talked as if they longed to return to earlier days and even authoritarianism.<sup>4</sup>

Gridlock soon characterized Taiwan's political processes, making the mood in the country one of malaise rather than hope. This lasted through to the end of 2001 when less than substantive issues characterized the campaign leading up to an election for the legislature, magistrates and mayors that ended with a much lower voter turnout than usual. Dirty, lowbrow campaigning and resorting to emotionalism while playing on ethnic enmity also characterized the election. At this juncture the devolution of Taiwan's democracy got visibly worse.

Citizens meanwhile complained of Taiwan having the wrong kind of democracy and of economic problems being the result of the sullied political processes (or others blaming it on opposition chicanery and the global economy). Looking back, many expressed serious doubts as to whether Taiwan had really become a democracy in the 1980s and 1990s or if democracy had really been consolidated in 2000.<sup>5</sup>

It is not the purpose of the author to answer the question of whether Taiwan made a democratic breakthrough in March 2000 or even whether there might have followed a reversal of the democratization process. Rather the objective is to examine the causes of the difficulties faced by the new regime to whom power was transferred and the causes of dissatisfaction that overcame Taiwan after Chen Shui-bian was installed in the office of president and the Democratic Progressive Party was relabeled the 'ruling party'. It is necessary in the process to look at the 2001 election as a culmination or continuation of that process and assess its implications.

The writer believes the explanations for what is a bleak situation by most criteria of reckoning lie in three areas: the structure of Taiwan's political system; how residents of Taiwan perceive what democracy should be, namely Asian democracy as opposed to Western democracy; and the state of the economy during the Chen Shui-bian presidency and how the issue has been handled. Some conclusions and prognostications will be offered. It is the hope of the author that further studies will

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3. In early 2001, people identifying with the DPP were just over 20% and the DPP's approval rating was 40%. The Legislative Yuan's disapproval rating was 76%. Those identifying with the KMT were less than 10%. See Dennis Engbarth, 'KMT faces a hard fight for approval', *South China Morning Post*, (21 May 2001) (on-line at [www.scmp.com](http://www.scmp.com)). The polls were Gallup Polls. According to a poll conducted in the fall of 2001, none of the political parties garnered public support of more than 25%. A large portion of respondents were undecided (27%) or said party affiliation was not a consideration (15%). See 'Survey says Taiwan leader's party most popular', *Reuters*, (2 November 2001).

4. Most were obviously not serious about this and felt democracy was here to stay. They did reflect considerable dismay about the course democratization had taken though.

5. For information on where Taiwan started from in terms of public opinion about democracy and the nation's polity, see Yun-han Chu, Larry Diamond and Doh Chull Shin, 'How people view democracy: halting progress in Korea and Taiwan', *Journal of Democracy*, (2001), pp. 122-136.

assess the implications of the observations made here to the future of democracy in Taiwan.

### Taiwan's messy political system

The Chinese Nationalists applied their political system (from the mainland) to Taiwan when the island was returned to China's governance after World War II. The constitution that Taiwan acquired at the time was written partly based on fear of excessive executive authority. The framers hence vacillated between a presidential, cabinet or parliamentary system. The role of political parties was unclear (not mentioned in the constitution), as was the speed of democratization. Some other important issues were left unresolved or were answered in ambiguous language.<sup>6</sup>

The constitution was subsequently amended and the nature of the polity altered to meet conditions during the Chinese civil war between 1945 and 1949. Among the constitutional amendments adopted, the 'Temporary Provisions' (Provisional Amendments for the Period of Mobilization for the Suppression of Communist Rebellion) gave broad emergency powers to the President (Chiang Kai-shek), who used this authority to declare martial law and eliminate opposition to his rule. Taiwan thus, for the next three plus decades, lived under an authoritarian presidential (de facto but not de jure) system with a democratic structure (or what some called a democratic façade).<sup>7</sup>

Typical of authoritarian systems at the time, especially in Asia, the government was penetrated by the ruling party, the Nationalist Party or Kuomintang (KMT) in Taiwan's case, which controlled the political processes and arrogated exclusive decision-making authority. Presidential power derived from the one-party system and the corporatism that accompanied it.<sup>8</sup>

The KMT, however, gradually democratized Taiwan. This happened mainly 'from the bottom up' and did not much affect the nature or structure of the system at the national level.<sup>9</sup> Land reform implemented by the KMT-controlled government in the early 1950s shattered feudal land owner-peasant relations in rural Taiwan and gave rise to democratic local government. Local democratization was overseen by KMT mediators and power brokers. Meanwhile, the KMT's successful efforts in promoting economic development spawned urbanization, a middle class, and other conditions that were a sine qua non for national political modernization.<sup>10</sup>

The KMT even allowed a political opposition to develop. It permitted independent politicians to run for office in the 1960s, letting them organize into a

6. For details, see Suisheng Zhao, *Power by Design: Constitution-Making in Nationalist China* (Honolulu: University of Hawaii Press, 1996).

7. Opposition politicians frequently made this charge. Most, however, did not recommend scrapping or even changing the constitution; instead they called on the government to get rid of the amendments that cancelled the political liberties and civil rights guaranteed in the constitution and fully respect those rights.

8. See, in particular, Harmon Zeigler, *Pluralism, Corporatism, and Confucianism: Political Association and Conflict Regulation in the United States, Europe and Taiwan* (Philadelphia: Temple University Press, 1988).

9. Most opposition political leaders have viewed Taiwan's democratization as happening from the bottom up or beginning in local politics. See, for example, Tien Hung-mao, *The Great Transition: Political and Social Change in the Republic of China* (Stanford: Hoover Institution Press, 1989).

10. For a summary of this process, see Yu Tzong-shian, *The Story of Taiwan: Economy* (Taipei: Government Information Office, 1999).

pseudo-political party (called *tangwai*) in the 1970s. It eventually made room for a genuine competing party (the Democratic Progressive Party) in the 1980s. The KMT did this in large measure because it was confident it would not be voted out of power. The Nationalist Party had a sterling reputation for promoting economic growth and had broad public support as a result. The KMT, not the opposition, was also the main force behind Taiwan's democratization.<sup>11</sup>

The KMT meanwhile learned how to win elections—by using professional planners, incorporating interest groups and effectively using advantages they had left over from the authoritarian days, such as influence over the media and a huge war chest of money to control local factions that helped deliver votes. KMT officials also effectively characterized the Democratic Progressive Party as a party that would destroy the economic miracle, cause a war with China, and otherwise bring ruin to Taiwan.<sup>12</sup>

After 1988, the head of the KMT and the President (in one person—Lee Teng-hui) was a 'native Taiwanese' (the progeny of Chinese who migrated to the island centuries ago and who constitute a majority of the island's population, as opposed to arrivals after World War II called Mainland Chinese). This, together with Lee's ability and astute leadership ensured a smooth transition from a party and government led by an ethnic minority to one of the ethnic majority.<sup>13</sup>

There was some thought given to the 'inevitability' that the DPP would change and that democratization would bring the opposition party to power, but this was viewed as a distant possibility. Hence, little was done to fix the political system in anticipation of such an event. Martial law was ended in 1987. Plenary elections (absent of the 'elder parliamentarians' who represented districts on the mainland based on the Nationalists' once marginally believable hope that they would return to China) were held in 1991 and after. The Temporary Provisions were abolished just before that. Still, little was done to fix the system in planning for a future transfer of power.<sup>14</sup>

During the 1980s, Taiwan's election laws were changed to favor a two-party system. Later the constitution was amended to make the political system more a presidential system behind the cooperative efforts of the KMT and the DPP.<sup>15</sup> But this effort was a feeble one given what was needed. The country's leadership meanwhile focused on what it considered more serious problems, such as the role of the National Assembly, provincial government and other matters. Taiwan's

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11. See Ping-lung Jiang and Wen-cheng Wu, 'The changing role of the KMT in Taiwan's political system' and Constance Squires Meaney, 'Liberalization, democratization and the role of the KMT', both in Tun-jen Cheng and Stephan Haggard, *Political Change in Taiwan* (Boulder: Lynne Rienner Publishers, 1992).

12. See John F. Copper, *Taiwan's Recent Elections: Fulfilling the Democratic Promise* (Baltimore: University of Maryland Law School, 1990); John F. Copper, *Taiwan's 1991 and 1992 Non-Supplemental Elections* (Lanham, MD: University Press of America, 1994); and John F. Copper, *Taiwan's Mid-1990s Elections: Taking the Final Steps to Democracy* (Westport, CT: Praeger, 1998).

13. There were, of course, problems that occurred along the way, such as a faction of the KMT leaving to form the New Party and charges by Mainland Chinese of discrimination by the Taiwanese majority.

14. See Jaushieh Joseph Wu, *Taiwan's Democratization: Forces Behind the New Momentum* (Hong Kong: Oxford University Press, 1995), pp. 136–137 and 162–163.

15. Both the KMT and the DPP favored a presidential system, but a sizeable number of members of both parties had reservations. Among scholars opinion was very divided. See Wu, *Taiwan's Democratization*, pp. 129–135.

political leaders, including the opposition, did not then or even in the 1990s plan for the transfer of power to another political party.

Thus the March 2000 election that brought the opposition party to power was very much unexpected. One can also argue it had happened prematurely because the ruling KMT split after President Lee Teng-hui pushed his vice president Lien Chan to be the party's nominee for president while obdurately opposing James Soong's candidacy (some say for ethnic reasons, Soong being a Mainland Chinese), even though Soong was much more popular and a better campaigner. Soong then ran as an independent, divided the KMT voting base, and Chen Shui-bian as a consequence won the presidency (with less than 40% of the popular vote).<sup>16</sup> He would not have been elected otherwise. He would not have won had there been a provision for a run-off election as had been debated earlier and which is a provision found in the constitutions or election laws of many countries.<sup>17</sup>

Chen Shui-bian then became chief executive of a 'semi-presidential system' that to a considerable degree reverted to its mixed presidential-cabinet-parliamentary nature. Chen was destined to be a weak president unless he could change the system, somehow build a coalition, or divide and weaken the opposition. He was a smart politician and charismatic; but he had little experience (having served briefly in the legislature and as a one-term mayor of Taipei). He was not very successful at any of these tactics and thus had little hope of governing effectively.<sup>18</sup>

Both Soong (who had led in the presidential election polls, sometimes double the other candidates, until the KMT derailed his campaign by releasing documents about his alleged 'theft' of party funds when he was secretary general of the party), together with Lien, perceived that Chen should not be a strong president. They argued that the premier should be the chief leader in domestic affairs and the system should be more cabinet or parliamentary (as specified in the constitution, though it had not been working that way). This was not an unusual request, it seems, given that democratization has weakened presidential systems in many developing countries; but it was not one Chen or his supporters liked or accepted.<sup>19</sup>

From his support base Soong immediately formed a political party, the People's First Party (PFP). This made Taiwan's party system a three-party one, further contributing to Taiwan's impending political paralysis. Soong and Lien cooperated to thwart legislation proposed by Chen and at times engaged in 'political warfare': targeting Chen's political base while trying to embarrass him and the DPP. This included passing bills, such as shortening the workweek more than Chen asked for, thus pleasing labor (a Chen constituency). They also pushed financial bills that made them popular but the government could not afford.<sup>20</sup>

By the fall of 2000, following several months when political wrangling got worse and worse and political gridlock became endemic, the opposition tried to

16. See Copper, *Taiwan's 2000 Presidential and Vice Presidential Election*, pp. 45–46.

17. The reason such a provision was not made law in Taiwan was the preoccupation of top leaders with other matters.

18. Chen's party had less than one-third of the seats in the legislature. Thus, right after the election he proclaimed that he was not going to be a party president and left all positions he had in the party. He subsequently appointed a premier from the KMT and a majority of the cabinet from outside the DPP.

19. See Zhao, *Power by Design*, p. 2.

20. See 'Time to get his act together', *Taipei Times*, (13 December 2000) (online at [taipeitimes.com](http://taipeitimes.com)).

impeach Chen. The constitution did not make this easy and it was probably destined to fail from the start, but it was a means to confound President Chen, hurt his image, and weaken his presidency. It did all of these things; but it also had a worse effect on the opposition and engendered profound and lasting cynicism among the populace.<sup>21</sup>

President Chen recognized the futility of trying to amend the constitution to create a truly presidential system and get out of the bind he was in. He thus made no such effort. He treated the constitution as vague and casually interpreted it to his liking. This further polarized his relationship with the opposition. The opposition parties argued that the constitution gave the Legislative Yuan more power than Chen assumed. Yet the opposition could not put parliamentarianism into practice either. The judiciary was not useful in breaking the impasse.<sup>22</sup>

Chen delayed any action he might have otherwise taken, thinking that the legislative election in December 2001 might give him a 'majority mandate' or that he could, after the election, negotiate with the opposition and construct a working coalition. Not being optimistic about this, however, Chen proposed, and then established, an organization he called the 'National Stabilization Alliance' to bring various political groups and individuals together to solve the nation's problems. The KMT and the PFP both refused to join Chen's proposed 'alliance'.<sup>23</sup>

The KMT's response to Chen's proposal was that this organization was unconstitutional. In fact, KMT chairman Lien Chan, in response to Chen's proposal, announced he was forming an organization called the 'All People's League in Defense of the Constitution' to protect the constitution.<sup>24</sup> Former President Lee Teng-hui joined the fray and formed an organization called the Taiwan Advocates.<sup>25</sup> Establishing these organizations, especially Chen's and Lee's, seemed (particularly to the opposition parties) an effort to circumvent the regular political processes and get members of other parties to defect.<sup>26</sup> It clearly appeared to mirror the reality that there was no easy way out of a situation of continuing gridlock.

The DPP won the election big; the KMT lost. But Soong's PFP made even bigger gains than the DPP. Also Chen failed to get the majority he wanted.<sup>27</sup> On the contrary the opposition won a majority. What then were Chen's options? He might try to get some members of the opposition, especially the KMT, to defect; but that would certainly not be the way to build a stable majority. The KMT and the PFP still refused to join Chen's National Stabilization Alliance. Some independents invited to join called it a 'constitutional monster'.<sup>28</sup> Meanwhile, the various political parties agreed that Taiwan's political system needed fixing; but they

21. See footnote 3 above.

22. For further details on this issue, see John F. Copper, 'Taiwan in gridlock: the Chen Shui-bian Administration's first 18 months', in John F. Copper, ed., *Taiwan in Troubled Times: Views on the Chen Shui-bian Administration* (Singapore: World Scientific Publishers, 2002).

23. 'Opposition snubs Chen's cross-party alliance plan', *China Post*, (23 November 2001), p. 1.

24. 'KMT chairman plans league to safeguard ROC's constitution', *China Post*, (30 November 2001), p. 1.

25. 'Lee forms Taiwan Advocates', *Taipei Times*, (4 December 2001) (online at [taipeitimes.com](http://taipeitimes.com)).

26. Vice chairmen of the KMT Vincent Siew and Wang Jin-pyng attended the opening meeting of Lee's Taiwan Advocates organization leading some to speculate that they may leave the KMT. See *Ibid*.

27. See John F. Copper, 'Taiwan's December 2001 election: the winners and the losers', *China Briefs*, (10 December 2001) (online at [jamestown.org](http://jamestown.org)).

28. 'DPP urged to cease scrounging for opposition allies', *China Post*, (11 December 2001), p. 1.

could not agree on how that should be done. They said that the electoral system needed to be changed. Yet this would probably require a constitutional amendment and that seemed unlikely in the milieu of bitterness between the two camps. Anyway other matters, namely a means to form a voting majority in the Legislative Yuan, needed attention first. There was talk of a constitutional convention, but many said that there needed to be some agreements in advance about the purpose and agenda of such a meeting and there was neither.<sup>29</sup>

Thus in early 2002 Taiwan's political system had not been fixed and the prospects for doing so did not seem good, at least in the short run. Chen needed to build a majority coalition as he promised to do before the election. But that, in the formal sense at least, was not likely to happen since the KMT and the PFP said that being opposition parties was their role in post-election policies. Continued gridlock thus seemed highly probable.

### Asian democracy versus Western democracy

Taiwan has essentially a traditional Chinese society (though certainly more cosmopolitan than China or even most other East Asian countries due to its geography, the fact that beginning several centuries ago it was a center of trade and commerce, and owing to its colonial history). Hence, early-on it seemed natural that it would evolve from authoritarianism to what some called 'Asian democracy'.<sup>30</sup>

Gradually, however, Taiwan veered instead in the direction of Western democracy. This happened almost solely due to the high level of American influence on the island from the 1950s on. More specifically it originated from United States security guarantees to Taiwan that precluded an invasion by China in the 1950s and a subsequent US military presence on the island, and large amounts of military and economic assistance.<sup>31</sup>

Later American influence, particularly in realms affecting political change, increased owing to a large number of students from Taiwan going to the United States to study. Taiwan's political elite soon became inordinately represented by those who had been to the US to obtain advanced degrees. Further, many of them (unlike many other Asian countries) obtained degrees in the social sciences, including political science.<sup>32</sup> Others who studied in the US returned to Taiwan with a favorable impression of the United States and American politics, especially American democracy.

A third element of America's sway on Taiwan was pressure the US government

29. See Myra Lu, 'Official sparks debate on constitutional reform', *Taipei Journal*, (21 December 2001), p. 2.

30. While there is considerable debate about how to define Asian democracy, it is generally agreed that it emphasizes preserving tradition, maintaining a strong family system, keeping social stability and a low crime rate, promoting economic growth, keeping government small, and putting society ahead of the individual. All of these, according to various sociological studies as well as opinion polls, appeal to Taiwan's populace.

31. For details on US economic and military assistance to Taiwan, see Neil H. Jacoby, *U.S. Aid to Taiwan: A Study of Foreign Aid, Self-Help and Development* (New York: Preager, 1966). Also See Cal Clark, *Taiwan's Development: Implications for Contending Political Economy Paradigms* (New York: Greenwood Press, 1989).

32. In the 1980s, Taiwan sent more students to the United States than any other country in the world. Lee Teng-hui received a Ph.D. from Cornell, Lien Chan the University of Chicago, and James Soong from Georgetown. At one time half of the cabinet ministers had received graduate degrees in the United States. See Gary Klintworth, *New Taiwan, New China* (New York: Longman, 1995), pp. 60–61.

and media put on Taiwan to democratize. Congress even threatened Taipei with cuts in arms sales if it did not end its authoritarian regime.<sup>33</sup> Democrats with great persistence criticized Taiwan's 'dictatorship'. Republicans noted Taiwan's 'state of war' but also encouraged democratization.

Fourth, in the 1970s Taiwan's economy became very export driven and its biggest market was the United States. This created a dependency which, together with a growing local US business presence, further increased American influence on Taiwan.

Democratization was also accelerated in 1971 by Taiwan's need for US support and to a lesser extent support from the international community to ensure its very survival; China was admitted to the United Nations and Beijing launched a campaign to force Taiwan into negotiations leading to unification. Taiwan's only hope it seemed, and the opposition stated this position very loudly and often, was to democratize and 'deserve' (in other words have the option of self-determination) to remain independent. This effect was multiplied in 1979 by Washington breaking diplomatic relations with Taipei in favor of Beijing.<sup>34</sup>

All of these factors pushed Taiwan in the direction of Western, vis. US democracy. The situation likewise prompted very rapid democratization, some say faster than any developing country by the 1980s.<sup>35</sup> Perhaps too fast!

Opposition politicians exploited this situation to demand greater latitude to organize, push their agenda, and change the system to their advantage. During their rise, they believed, and often said this publicly, that the United States wanted Taiwan to democratize and in order to do so Taiwan must have a two-party system. Therefore, the growth of the opposition (after 1986 the Democratic Progressive Party) was something they insisted the United States wanted.<sup>36</sup> They indeed were not wrong about this.

The ruling KMT realized this and accommodated the opposition. However, the KMT tried to weaken the DPP by preempting its program, which was to a considerable extent socialist and anti-Asian democracy. This pushed Taiwan even more in the direction of Western-style or US-style democracy.<sup>37</sup>

When Chen Shui-bian won the presidential election in March 2000, Taiwan took another leap toward adopting Western-style democracy while almost abandoning any semblance of Asian democracy.<sup>38</sup> There are several areas where this was especially apparent.

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33. See Thomas Gold, *State and Society in the Taiwan Miracle* (Armonk, NY: M.E. Sharpe, Inc., 1986) p. 120.

34. Throughout 1979 opposition leaders and activists pressed this theme. They sponsored a demonstration parade on Human Rights Day, 10 December, that led to a major incident in the southern city of Kaohsiung. Their argument to the international community was that the United Nations promised (in its charter) self-determination and this should apply to deciding Taiwan's future. Many KMT members agreed.

35. For details, see various chapters in John F. Copper, *The Taiwan Political Miracle: Essays on Political Development, Elections and Foreign Relations* (Lanham, MD: University Press of America, 1997).

36. The Democratic Progressive Party had long declared that the United States wanted Taiwan to democratize (which indeed was obvious to most people in Taiwan) and that in order to do that Taiwan needed party competition, and hence a strong opposition party. The DPP successfully used this line of argument in the 1989 election campaign when it 'won' its first national election. For details, see Copper, *Taiwan's Recent Elections*, ch. 4.

37. This was particularly noticeable in the realm of social welfare, national health insurance, and programs for the poor and disadvantaged.

38. The Western media applauded this, having been critical of Asian democracy for years.

As mentioned above, Chen and the DPP advocated a strong presidential system. Their contention, among other arguments, was that this was the American system and it was the best kind of government. They likewise argued that this is the kind of system Taiwan had in place (though according to the constitution it wasn't). They claimed it was the right system for Taiwan notwithstanding the fact that a significant portion of the informed population wanted parliamentarianism.<sup>39</sup> The opposition patently had other ideas. This made compromise or fixing the system difficult.

The DPP also espoused what some have called extreme or radical democracy from America's past—one that gave overwhelming power to the majority while disregarding minority rights. This constituted a misinterpretation of current US democracy or involved modeling after the bad side of the US political system.<sup>40</sup>

Thus the DPP's victory, according to numerous pieces of evidence, 'institutionalized' majority tyranny and ethnic discrimination. Mainland Chinese under Chen rule reported bias against them in government employment and in a variety of other realms. As a consequence, some in the military and the intelligence services became viewed as security risks and some, as a product of severe alienation, defected to China. DPP officials, in reaction, labeled Mainland Chinese traitors.<sup>41</sup>

The opposition election victory also injected an odd form of feminism into Taiwan politics. Chen's vice presidential running mate, Annette Lu, had founded the feminist movement in Taiwan. It was in many ways patterned after American feminism. During the campaign the DPP promised quotas in party and government jobs for women and openly solicited the female vote.<sup>42</sup> Not winning it due to the stronger male chauvinism in Taiwanese culture (especially compared to the Mainland Chinese), which was implanted during the Japanese colonial period, these promises turned out to be hollow and largely token. Vice President Lu became a pariah in her own party and found doing her job very difficult.<sup>43</sup> The DPP continued to appeal to women voters but its efforts were largely seen as disingenuous.

The ascendancy of the DPP has similarly not been good for family values. The previous regime emphasized family values. The DPP's emphasis on local nationalism came at the expense of the family to some extent. So did other concerns. While there has been no frontal attack on the family it has gotten less support from the new government. Women, who are the core of the family, thus did not vote for the DPP. Neither did Hakka, who claim the strongest family values among the ethnic groups in Taiwan.<sup>44</sup>

Crime also was of less concern to the new Chen Administration. Many DPP

39. The issue of presidentialism versus parliamentarianism had long been a debate in Taiwan. The opposition had at one time supported parliamentarianism, but changed its view. Scholars talked about the two types of government and the advantages of each, but generally the views were divided.

40. It is worth noting that James Soong, in fact, won the majority vote of all of Taiwan's 'ethnic' minorities: Aborigines, Hakka and Mainland Chinese.

41. See Brian Hsu, 'Ex-officers sell secrets for cash', *Taipei Times*, (21 July 2001) (online at [taipeitimes.com](http://taipeitimes.com)).

42. See Copper, *Taiwan's 2000 Presidential and Vice Presidential Election*, p. 32.

43. Vice President Lu spoke publicly on many occasions about this. She even wrote about it in a book published recently. Lu also said she would not run for vice president again.

44. The Hakka, incidentally, say this stems from the fact that they were discriminated against by the majority ethnic Taiwanese from Fukien Province.

leaders viewed a tough stance on crime as a tool used by the previous government to stifle dissent. Many DPP leaders had been labeled criminals and served time in jail.<sup>45</sup> Thus their view on hard law enforcement was a negative one. Crime had already been on the increase in Taiwan by 2000, but it witnessed a noticeable jump during the Chen presidency.<sup>46</sup> President Chen blamed this on the bad economy, which was to some extent true; but he did little about it and this contributed further to doubts about Chen's and the DPP's adherence to the tenets of Asian democracy.

Corruption, on the other hand, was a target of the Chen Administration, notably the kind that looked bad from the point of view of the West (but was fairly common throughout Asia): vote buying. In any case, it was debatable how harmful the practice was to Taiwan's democracy,<sup>47</sup> and Chen ignored the fact that it had become a serious problem during the tenure of Lee Teng-hui, who reportedly helped Chen during the 2000 campaign and advised him afterwards and with whom Chen aligned during the 2001 election campaign hoping to win a majority in the Legislative Yuan. In any case, overall corruption was not too bad in Taiwan while other forms of it were worse than vote buying.<sup>48</sup>

Finally, the DPP becoming the ruling party saw a decline in the emphasis on education in Taiwan. There were, of course, good reasons for this. Taiwanese, the voting base of the DPP, are less educated than Mainland Chinese that the DPP regarded as their political foes.<sup>49</sup> The KMT had long boasted of the educational qualifications of their candidates, which indeed were very impressive. The DPP thus could not compete with the KMT on this plane. This resulted in downplaying the ideal of political leadership by smarter, better-educated people and the desirability of nurturing human talent in general. It resulted in a decline in the educational standards of those serving in government. This constituted rejecting another important major tenet of Asian democracy.

During the 2001 legislative election campaign, the DPP again played the 'race card'. 'Localism' and 'Taiwan first' became the main theme of the DPP's campaign. Former President Lee Teng-hui, who a few months earlier had helped found a new party, the Taiwan Solidarity Union, pushed this to an extreme. He boasted that the TSU was the only political party with Taiwan in its name. He called the KMT an 'alien regime' and suggested it should return to the mainland. Most understood this to be directed at ethnic Mainland Chinese in the KMT. Throughout the campaign Mainland Chinese who attended DPP and TSU

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45. Both President Chen and Vice President Lu served time in prison. Lu was sentenced to 14 years as a result of her participation in the Kaohsiung Incident in 1979. She served five years. A number of other top DPP leaders also spent time in jail, including former top leaders of the party such as Shih Ming-teh, Lin Yi-hsiung, Yao Chia-wen and others. See Shelley Rigger, *From Opposition to Power: Taiwan's Democratic Progressive Party* (Boulder: Lynne Rienner Publisher, 2001), pp. 21–24.

46. Actually there was a decline in a number of categories of crime in 1999.

47. According to an opinion poll a few years earlier, 43% of voters reported that they would not sell their vote, 20% said they would accept money but vote for another candidate and 15% said they would report a vote-buying attempt. See 'Sweep on vote-buying continues', *China Post*, (30 November 1995), p. 1.

48. Taiwan ranked twenty-fourth best among nations in the world on the 'corruption index'. For details, see [worldaudit.org](http://worldaudit.org).

49. See Theodore Hsi-en Chen, 'The educational system', in James C. Hsiung *et al.*, eds, *Contemporary Republic of China: the Taiwan Experience* (New York: Praeger Publishers, 1988), pp. 70–71 for some of the ramifications of this.

rallies heard slogans propagating ethnic hatred including 'Mainland pigs go home'.<sup>50</sup>

Hardly by coincidence it would appear, and certainly reflecting the mood of DPP campaign strategists, the party designed a campaign advertisement during the 2001 legislative election campaign to appeal to young people using Adolf Hitler as a model. It pulled the piece only after hearing foreigners in Taiwan complain loudly.<sup>51</sup> Aborigines meanwhile reported DPP officials using derogatory ethnic terms in referring to them in public.<sup>52</sup>

Taiwan's democracy to many in Taiwan seemed to have become debased. Some said this was the case because it had not pursued Asian democracy. Had it done so ethnic nationalism would not have become part of the ruling administration's agenda. It would have avoided ethnic tensions and all of the bad things that go with it.<sup>53</sup> Taiwan would likewise not have created for itself the other problems cited above.

### Economic decline

For Taiwan more than most nations, likely more than any nation in the world, the government's legitimacy was enhanced over the years by its ability to make the economy grow. This, in fact, was the Nationalist Party's claim to fame. It explains why the KMT was able to change its image from a corrupt, venal party that lost the war with the Communists for good reason, to a highly efficient, competent and relatively clean party. It also accounts for the fact that it remained in power as the country democratized in the 1970s and 1980s and after.<sup>54</sup>

Whereas economic growth and democracy appeared to some to happen in tandem, it was clear to citizens in Taiwan that economic development came first and caused the latter. To most, moreover, Taiwan's economy grew as fast as it did after the economic 'take-off phase' because of 'restricted democracy' or 'soft authoritarianism'. In fact, many outside observers agreed. Also, it is widely known that no democracy had before or since attained the 'miracle' economic growth that Taiwan sustained for a number of years after it took off in the mid-1960s.<sup>55</sup>

There was a trade-off. The people 'ruled' Taiwan during its authoritarian years in the sense that they wanted prosperity and the government did all it could, in fact performed an economic miracle, to give the population what it desired. Not only did the government make the economy grow, it provided growth with equity.

50. See 'Chen—DPP election victory will not end instability', *China Post*, (4 December 2001), p. 2.

51. See Chuang Chi-ting, 'DPP's Hitler ad creates stir', *Taipei Times*, (12 July 2001) (online at [taipeitimes.com](http://taipeitimes.com)).

52. Aboriginal legislators expressed resentment over DPP legislators calling them *fan-a*, a term equivalent to 'nigger'. See Bruce Jacobs, 'Post-election situation clarifies', *Taipei Times*, (30 November 2001), p. 3.

53. DPP supporters after the election lamented the fact that the campaign had exacerbated ethnic divisions and blamed the DPP for this. See Wang Jenn-hwan, 'DPP needs to heal ethnic divisions', *Taipei Times*, (8 December 2001) (online at [taipeitimes.com](http://taipeitimes.com)).

54. See Ian Marsh, Jean Blondel and Takashi Inoguchi, *Democracy, Governance and Economic Performance: East and Southeast Asia* (Tokyo: United Nations University Press, 1999). See in particular Hsin-Huang Michael Hsiao and Cheng Hsiao-shih, 'Taiwan' in this book.

55. See Samuel P. Huntington, 'Democracy for the long haul', in Larry Diamond, Marc F. Plattner, Yun-han Chu and Hung-mao Tien, eds, *Consolidating the Third Wave Democracies: Themes and Perspectives* (Baltimore: Johns Hopkins University Press, 1997), p. 11.

Almost all citizens benefited. In return the KMT remained in power without serious challenge.<sup>56</sup>

Coinciding with the KMT's adroit handling of economic development the government became more and more staffed by technocrats who were employed in government because of their talent rather than their ideology or loyalty to the regime. They opposed authoritarianism and called for more openness and basic freedoms since both were essential to the free market economy working better.<sup>57</sup>

During the 1980s, the public made greater demands: it wanted both economic growth and democracy. It got both. The perception grew that there was no conflict between the two—contrary to what most had formerly believed. In the 1990s, the issue of economic growth, especially rapid growth, almost disappeared as a political and thus as a campaign issue. This was an aberrancy, perhaps an unfortunate one.

One of the reasons was that prosperity had made economic growth less relevant. This happened in almost all Western democracies; many said it was a natural phenomenon. But it happened in Taiwan quicker. Meanwhile, social welfare, environmental concerns and other issues pushed economic growth into the background. This also happened suddenly. The DPP advanced a socialist agenda; the KMT copied much of it in order to preempt the DPP's program and weaken the DPP's political appeal. As it did this Taiwan became more and more a Western (social) democracy.<sup>58</sup>

Economic growth was reduced further in importance as a campaign issue than otherwise would have been the case in 2000 due to the overriding importance of two other items in the 2000 election: cross-Strait relations and 'black gold' (corruption and criminal involvement in politics and the connection between the two).<sup>59</sup> These two issues were related to the country's economic vitality, but few (certainly voters said little) made the connection.

In fact, during the 2000 campaign Chen Shui-bian and the Democratic Progressive Party, focusing (very successfully as it turned out) on these two problems, convinced the voters that they could competently manage economic development and that ridding the country of corruption would make transacting business more efficient and help the economy. Both claims were, of course, unsubstantiated. Chen also made the electorate believe that he could skillfully manage cross-Strait relations (also not true) but didn't link this to Taiwan's economic health.<sup>60</sup>

In the first six months of the Chen Government the economy performed very well and it appeared that what the DPP had said during the campaign was true.<sup>61</sup>

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56. See various chapters in Edwin A. Winckler and Susan Greenhalgh, eds, *Contending Approaches to the Political Economy of Taiwan* (Armonk, NY: M.E. Sharpe, 1988).

57. The KMT had an advantage in doing this because it was not beholden to support from a wealthy class in Taiwan as it was when it governed all of China. See Shelley Rigger, *Politics in Taiwan: Voting for Democracy* (London: Routledge, 1999), pp. 67 and 69.

58. For details, see Yuen-wen Ku, *Welfare Capitalism in Taiwan* (London: Macmillan, 1997), ch. 3.

59. See Copper, *Taiwan's 2000 Presidential and Vice Presidential Elections*, pp. 29–32.

60. *Ibid.*

61. Nearly all economic data were positive. The GNP was up slightly, unemployment was low, and the consumer price index had risen by a small margin. The currency devalued a bit but that was considered good news to exporters. See Julian Baum, 'Rattling the system', *Far Eastern Economic Review*, (21 September 2000), p. 78.

At that juncture, though, the economy took a nosedive and soon Taiwan was facing a severe recession. The gross national product fell markedly. Private investment dried up. Defaults on loans skyrocketed. By the end of the year the stock market had lost around half its value. Capital was flowing to China in unprecedented amounts, three fold more than a year earlier. The Taiwan dollar fell noticeably in value and unemployment passed the benchmark 3% figure.<sup>62</sup>

Since the start of the downward spiral coincided with political paralysis evoked by President Chen's decision to cancel Taiwan's fourth nuclear power plant, a project that had been put into law and was under construction in the old administration, bad politics seemed clearly to be behind the economy going south and Chen deserved much of the blame.<sup>63</sup> The cancellation of the plant created a political firestorm and turned the opposition-controlled legislature against Chen. The opposition attempted to impeach Chen, but failed in the effort.

Had the government sought to exempt economic issues from the bitter political battles a severe recession might have been avoided. Instead Chen and the DPP charged that the KMT had pulled money out of the stock market deliberately to damage the economy in order to discredit and undermine the Chen Administration and had in other ways manipulated the economy into decline. Accusing the opposition of what some said was treasonous acts made the impasse between Chen and the opposition much worse.

During the summer and fall of 2001 the economy continued its fall. The second quarter witnessed negative growth of 2.35%. Many people could not remember anything like this. It had not been for 26 years, since the first oil crisis, that the economy had performed so poorly. The government soon reported that the year would end with growth below zero. Unemployment rose to nearly 5%, when rates had been between 1.4 and 3% for 20 years. Exports dropped every month, including falling by a quarter in August.<sup>64</sup>

President Chen cited the global economic decline, including a downturn in the United States, and the shock caused by the events of 11 September, as reasons (or excuses) for Taiwan's deepening recession. He also continued to blame the KMT. Others attributed Taiwan's economic decline, which was much worse than many of its neighbors, to Taiwan's industries 'hollowing out' and going to China. Many of Chen's supporters, including his vice president, former President Lee Teng-hui and head of Academia Sinica (Taiwan's premier academic think tank) Lee Yuan-tseh all made statements warning about this.<sup>65</sup>

With an election coming the opposition seized the opportunity to blame Chen for the economic situation and tried to exploit it. Opposition politicians railed almost daily about the incompetence of the Chen Administration and the President's lack of ability to manage economic affairs.

62. See 'Taiwan economic outlook dim', *Economic News Daily*, (20 March 2001) (online).

63. Business leaders saw the decision to cancel the plant as reflecting the Chen Administration's anti-business attitude and worried about future energy supplies and costs. See Mat Match, 'Power hungry', *Topics*, (February 2001), pp. 18-28.

64. 'Taiwan hit by worst GDP statistics in 26 years', *China Post*, (8 August 2001), p. 4. Also see 'Taiwan economic outlook grim', *Economic News Daily*, (20 March 2001) (online at Taiwanheadlines.com).

65. Allen T. Cheng, 'The United States of China', *Asiaweek*, (6 July 2001) (online at asiaweek.com).

Opposition leaders also got down and dirty. They accused Chen of misusing National Stabilization Fund money. The media made hay of issues that embarrassed the Chen Administration such as his alleged 'Lewinsky affair' (Chen's reported liaison with his young female interpreter), his son getting a legal position in the military even though his test scores were not high enough, his daughter's fiancée illegally using a government vehicle, vote buying in the DPP's primary elections, and more.<sup>66</sup>

President Chen and his party launched a counterattack. Chen broached the matter of investigating the source of KMT assets, which he had apparently agreed not to do, thus making relations with the opposition even worse and further exacerbating his own political problems. He charged that the KMT had seized Japanese-held assets in Taiwan at the end of the war and made them party assets. He said that during the authoritarian period when the KMT and the government were synonymous or nearly so that the KMT took advantage of that and made millions of dollars.<sup>67</sup> This diverted attention away from Taiwan's current economic situation.

As a result citizens began to lose confidence in politics and in the government. To avoid catastrophe at the polls the Chen Administration launched an offensive of casting blame and making excuses. Economic problems were politicized. The opposition thought the situation worked to its advantage. Neither the administration nor the opposition seemed concerned about solving Taiwan's economic woes.

President Chen belatedly, but in time for the December 2001 election, responded by organizing the Economic Development Advisory Council to deal with the crisis. He invited the leaders of the KMT and PFP, Lien Chan and James Soong, to join. Both, however, saw this as an attempt by Chen to get them involved so that he could blame them for the economic travails and get him off the hook with the electorate with an election coming.<sup>68</sup> And, while the council provided good advice and Chen promised to implement its recommendations, it was too late to see any results before the election.

Political fighting diverted attention from real problems and disguised the connection between a bad economy on the one hand and poor governance (or the lack of decisions in many cases) on the other. Issues were confusing voters. Some said democracy caused economic decline. This to a considerable degree explains why the 2001 election campaign was so bitter, why voters became so cynical and why the voter turnout was low.<sup>69</sup> But these were symptoms and do not indicate what was really wrong or who was to blame.

Meanwhile Taiwan's economic downturn had a devastating impact on the middle class, increasing measurably the gap between rich and poor. This was to be expected; recessions have had this impact in other countries. But for Taiwan it was much more pronounced. The reason for this was the large number of investors in

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66. See Copper, 'Taiwan in gridlock' for more details on these points.

67. See Jimmy Chuang, 'DPP supporters back call for former ruling party to turn over assets', *Taipei Times*, (18 November 2001) and 'Cabinet drafting party assets law', *Taipei Times*, (20 November 2001) (online at [taipeitimes.com](http://taipeitimes.com)).

68. Stephanie Low, 'Opposition parties unite in rejection of "alliance"', *Taipei Times*, (23 November 2001) (online at [taipeitimes.com](http://taipeitimes.com)).

69. The voter turnout was just over 66%. This was very low for Taiwan.

the stock market (especially the middle and lower classes in Taiwan). Many saw their savings evaporate.<sup>70</sup> Scholars mentioned that this kind of situation had brought Fascism to Germany and Communism to China.<sup>71</sup>

In the meantime, the DPP scuttled its long-held social agenda. The DPP had long advocated larger welfare spending, help to the unemployed, the poor and disabled. No more! Declines in tax revenues meant there was less funding available for various other social programs, which got cut. The DPP had also consistently advocated lower defense spending. But Chen did the opposite. Due to escalating tension with China (caused many said by Chen) the United States offered increased weapons sales to Taiwan; the offers were accepted and Taipei spent more on arms than at any time in recent history save for the purchase of F-16s in 1992.

Another issue where decisions were lacking (or better stated, where there was a glaring contradiction in policy), was in Taiwan's economic relationship with China. In 2000, Chen Shui-bian had campaigned on improving cross-Straits relations. He called for an end to former President Lee Teng-hui's 'go slow, be patient' policy of limiting commercial relations with the mainland. Many of his monied supporters and his economic advisory council agreed strongly. As noted above Vice President, Annette Lu; Lee Yuan-tseh (head of Academia Sinica and whose support many say gave Chen an election victory in March 2000); and Lee Teng-hui did not. In fact, during the election Lee and the TSU warned of China's efforts to defeat Taiwan 'without firing a bullet' (meaning by creating economic dependency).

Capital was indeed flowing out of Taiwan to China. Taiwan was literally hemorrhaging. Its industries were hollowing out and massive unemployment was caused by jobs fleeing to the mainland. Investment in China was not bringing profits back (0.3% of gross domestic product compared to Hong Kong's 12%).<sup>72</sup> The Chen Administration rationalized this saying that Taiwan would become a hub or transit point for Western countries doing business with China. Beijing rejected this, saying that it would be Hong Kong and Shanghai.<sup>73</sup>

To disguise this dilemma and succor his party in the December 2001 election, President Chen provoked (intentionally many said) tension with China: publicly denying the existence of the '1992 consensus' (to allow different interpretations of one China, which had been the basis for improved Taipei-Beijing relations). Subsequently he started an imbroglio over Taiwan's representation at the Asia Pacific Economic Cooperation forum in Shanghai seemingly for the same purpose.<sup>74</sup>

As the December 2001 election approached, not having credible solutions to the economic morass, the DPP (and the TSU) injected emotional issues into the campaign and made the central campaign issue one of ethnicity. This had the effect of isolating Mainland Chinese from the process of trying to fix the economy even though they had valuable expertise. It also increased the flow of hot money leaving

70. It is estimated that more than half of the adult population in Taiwan has invested in stocks directly.

71. Several academic friends mentioned this to me in late 2001.

72. See David Lague, 'Straits of gloom', *Far Eastern Economic Review*, (6 December 2001), p. 73.

73. The Hong Kong Government refuted Taiwan's claim. Shanghai was in the process of building a huge harbor and in other ways positioning itself to be the gateway to China.

74. See "'Rude" versus "crude"', *China Post*, (22 October 2001), p. 2.

Taiwan by ethnic Mainland Chinese because of fear of discrimination and persecution. In the meantime the politicization of the economy reduced rational public input into the political process about one of the most important set of issues to the public: pocketbook issues.<sup>75</sup>

The result of all of this was to create a disconnect in the public mind between good government and good economic management. This to some extent undermined the idea of good government period. How else could the government be effectively graded? This created more distrust of government and cynicism.

## Conclusions and forecasts

Chen Shui-bian's election in March 2000 should have been the final step in Taiwan's democratization. Or it should have been a major step (as others put it) in the consolidation of democracy. Instead it led to a serious devolution of politics in Taiwan.

Part of the problem was Taiwan's polity. It was a mixed system. It was, moreover, not ready for a transition of power. As it operated before the spring of 2000 it was a strong presidential system. Special amendments (justified by a condition of war) to the constitution made it that. Even with democratization and the termination of both the Temporary Provisions and martial law, the system remained presidential due to power being wielded by a dominant party that controlled the presidency (or the reverse).

Chen Shui-bian's election was unanticipated. Constitutionally the system should have reverted back to a mixed system. And in many ways it did. Chen, however, argued that he had a mandate and the system had been made presidential and would stay that way. The KMT argued that Chen did not have a mandate and that the system was not presidential and that the majority party in the legislature should decide who the premier would be and he or she should lead in domestic affairs.

Chen, in fact, did not have a mandate by the then definition of mandate. However, the opposition didn't either; according to public opinion polls, in answer to the question whether Chen should stay in office, both just after the election and at the time of an attempted impeachment half a year later, the answer was yes.

The consequence was gridlock. This caused Taiwan's politics to become nasty and vengeful, civil society to deteriorate, and the economy to falter. There was little compromise. There should have been. Neither side made any serious effort to fix the situation. There might have been a debate about changing the mixed system and perhaps holding a constitutional convention to do so. Both sides, however, assumed that the December 2001 election would resolve the impasse. It didn't.

The DPP improved its position. But it didn't win a majority, even with the help of former President Lee Teng-hui and the political party he launched, the TSU. The KMT lost the election, but remained the largest opposition party. The 'blue team' (the opposition parties) got more votes than the 'green team' (the DPP and the TSU), and more seats. It had a majority. The DPP had to persuade some

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75. Mark Landle, 'In Taiwan a discouraging election campaign notable for its nastiness', *New York Times*, (26 November 2001).

KMT members to defect. Even if successful this was hardly the way to build a stable coalition.

President Chen meanwhile proposed an informal alliance to fix the situation and perhaps even run the government. The KMT's response was that this was unconstitutional. The KMT launched an organization to protect the constitution. Lee Teng-hui started a 'do tank' (as opposed to a think tank) to help end gridlock (but it was unlikely to do that). The PFP's reply was that Chen needed to build a coalition; this was the only way to fix the problem. Chen, however, would have to make major concessions to accomplish this and refused.

At the time of this writing, no effort was being made to fix the system constitutionally. Moreover, it appeared that this was not on the horizon. There has certainly been no meeting of the minds, but rather continued acrimony, distrust and vengefulness.

The solution to the problem from the beginning seemed to be adopting Asian democracy and putting it into practice. Taiwan did not do this because of American influence that pervaded the population and especially the government. The US model favored a presidential system, encouraged mass democracy, ignored the need for political stability, and put the individual over society. It also lent itself to egalitarianism and welfare socialism. The KMT followed this model; the DPP, when Chen Shui-bian became president promoted it even more.

This meant paying less attention to crime, lowering the educational bar for those wanting to partake of politics, and more. It changed the definition of ethical standards in campaigning, permitting the very undemocratic practice of vote allocation. It also allowed (even encouraged) 'racial', actually ethnic, politics of the worst sort.

All of these things degraded Taiwan's democracy. Even DPP people condemned the practice of vote allocation and playing the ethnic card. The DPP in the minds of many observers, including some DPP supporters, 'won' the 2001 election by undemocratic means, means that it had long condemned. It used ethnic hatred to its advantage and made relations among the ethnic groups deteriorate to a point not seen for some time. Non-(Fukien)Taiwanese reported being patronized and disregarded under the Chen Administration. During the 2001 election campaign they spoke of insults, ugly incidents on the street, and a general feeling of not being welcome in their own country.

The economy also deteriorated soon after the Chen Administration came into being. This resulted in large part from gridlock that the political system engendered. Then the game became one of blaming someone else. In fact, both sides were to blame and there was little compromise. The people suffered as a result.

Inasmuch as the population believed (from Taiwan's experience) that economic development was best promoted by an authoritarian system, too much democracy was blamed. Some said Taiwan's system should go back to what it was before democratization. One could even say that this is indeed what happened. Both the DPP and the KMT (the DPP more successfully, so it won) in pushing voter allocation told voters whom to vote for. This was not democratic. A good portion of the electorate, reflecting cynicism and apparently not caring about democracy, went along. Indeed many voters preferred voting for candidates for their ethnicity

rather than their qualifications or their ability to fix the economy (which had always been seen as related).

The big contradiction in terms of a solution to Taiwan's recession was the fact that most people (including most in business) in Taiwan believed that Taiwan's economic health could be improved only by enhancing commercial ties with China. The DPP said this. Yet President Chen seemed deliberately to increase tension with Beijing because this served the purpose of winning the election. Voters did not reject the illogic of this.

Who was at fault for Taiwan's democratic devolution? Chen Shui-bian and the DPP? The KMT and the other opposition parties? Circumstances? The political system?

Of course, all of them.

If conditions do not change, President Chen will probably be blamed more. Things happened on his shift. He was not able to fix the problems. Future problems will be seen more as 'Chen problems' since he and his party claimed a big victory in the 2001 election. Observers noted that who is now responsible is clear. President Chen very much needs to find solutions to Taiwan's devolving democracy.

Clearly Taiwan is at a crossroads. Democracy has not been knocked out; but it has suffered a number of serious blows.